

GAMBLING AND RACING COMMISSION

Annual Report 2014-15



ACT
Government



GAMBLING
AND
RACING
COMMISSION

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ACT GAMBLING AND RACING COMMISSION

ANNUAL REPORT 2014-2015

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



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 2015.

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 2014 to 30 June 2015.

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
1 September 2015

Greg Jones
Chief Executive Officer
1 September 2015

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

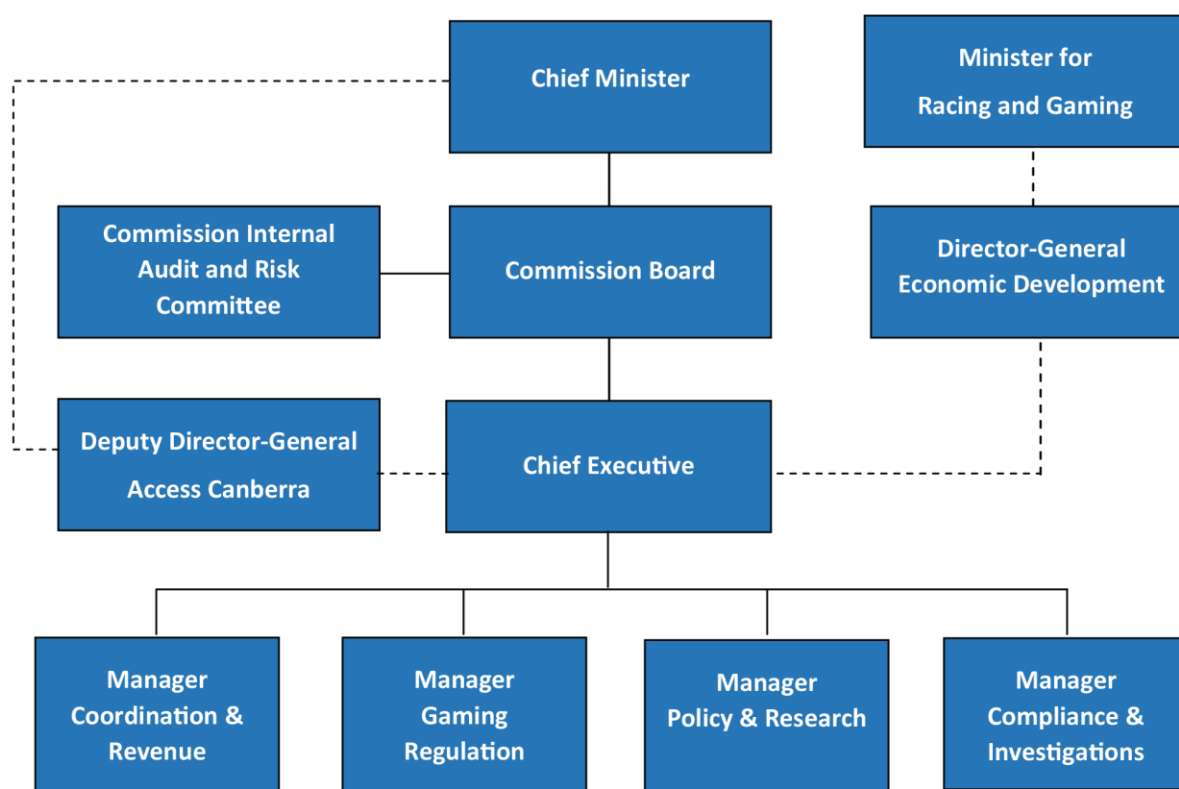
The Commission's Strategic Plan identifies the key stakeholders and clients of the Commission as the:

- 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 aims to be a 'one-stop-shop' for many regulatory services performed by the ACT Government, will be client focussed and ensure businesses have an effective and efficient method of dealing with Government. As the ACT Gambling and Racing Commission is governed by a Board it will continue to operate as a Statutory Authority.

The Commission's operational structure as at 30 June 2015 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 of which the Commission forms part of.

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

The Commission's governing board is responsible, to the Chief Minister through the Deputy Director-General Access Canberra, for the efficient and effective financial management of the Commission.

The Board is also supported by the Commission's Internal Audit and Risk Committee.

The Chief Executive is responsible for all decisions taken within, and for all actions subsequently taken by the Commission and is accountable to the Deputy Director-General Access Canberra. The Commission's Chief Executive is a member of the governing board. The Chief Executive is supported by four Section Managers.

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 strategy that the Commission adopts to achieve an efficient and effective business framework:

- improve our operations through the regular review and necessary adjustments of our procedures and practices;
- regularly review our risk based approach to the implementation of our regulatory scheme so that available resources are effectively allocated;
- regularly review our 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 our 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 regular reports to the Internal Audit and Risk Committee and the governing board.

The Commission has developed a Business Continuity Plan which describes arrangements that the Commission will use to provide continuity of its key services in the event of a major disruptive incident. It is a role based approach that documents the management structure, staffing, team roles and responsibilities and actions for implementation after a major incident.

Achievements

The ACT Government's announcement during the previous reporting period that it would sell ACTTAB Ltd resulted in the Commission undertaking an extensive probity investigation into the proposed new licensee, Tabcorp ACT Pty Ltd (Tabcorp ACT). This investigation was based on the requirements of the newly enacted *Totalisator Act 2014* including the financial suitability of the proposed operator and its related companies. At the completion of its investigation the Commission provided advice to the Minister on Tabcorp ACT's suitability to operate the totalisator in the ACT. The Commission's positive recommendation enabled the sale of ACTTAB to be completed in October 2014.

Following a notice forwarded to the Minister by Casino Canberra Ltd in March 2014 seeking approval for a change of ownership of the casino, the Commission commenced its due diligence on the sale proposal as a joint investigation with the Queensland Office of Liquor and Gaming Regulation. The joint probity investigation was undertaken on the basis that the Aquis Group proposed to purchase the Reef Casino and Hotel Resort in Cairns as well as the Canberra casino. The probity investigation was detailed and complex due to the extensive corporate structure of the proposed new owner, Aquis Canberra Pty Ltd.

The sale process for the Cairns Reef casino ceased in November 2014 and the Commission subsequently continued its own suitability checks into the Aquis Group. The Commission completed its probity investigation in December 2014 and provided its recommendations to the Minister in relation to the proposed change of ownership. Agreement by the Minister allowed the sale to be completed on 23 December 2014.

The Commission's regulatory role in overseeing gaming and wagering activity continued to be applied on a risk basis with an emphasis on education where appropriate. The risk profile of licensees is under regular refinement particularly in relation to the two new licensees covering the totalisator and casino.

During the reporting period assistance continued to be provided to Economic Development and other Directorates in identifying red tape reduction measures to assist licensees and the Commission to increase efficiencies.

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. Gaming machine licensees are required to pay 0.6 per cent of gross gaming revenue to the Fund and ACTTAB (Tabcorp) and Casino Canberra have each agreed to contribute \$50,000 per annum for their inclusion in the outcomes of the Fund.

Allocations from the Fund were again used to inform the Commission, licensees and the community about problem gambling and minimising the harms that it can cause. Enhancements were commenced to the on-line exclusion database which was fully rolled out early in the reporting period. The enhancements will assist licensees operate a more effective incident reporting system which is part of the database.

The longitudinal research project being conducted by ANU to investigate clients' utilisation of gambling counselling services and the outcomes of the intervention continued during the reporting period with the on-going collection of data from participants. A Deed that formalised NSW's financial contribution and involvement with the five year study was also completed.

The Gambling Counselling and Support Service, contracted to Relationships Australia, Canberra and Region for three years from 1 July 2014 continued to perform well during the period. Relationships Australia conducts the Service in partnership with Care Inc.

Following a comprehensive review of the mandatory *Gambling and Racing Control (Code of Practice) Regulation 2002* during the previous reporting period, the Minister agreed with the Commission's recommendations which were incorporated into the Regulation. The changes were commenced during the reporting period following an information seminar provided to the industry.

The announcement by the Chief Minister during the reporting period of the formation of Access Canberra will have positive implications for the operations of the Commission. As part of Access Canberra the Commission will be able to better co-ordinate skills, information and operational undertakings to improve efficiencies and provide a more effective regulatory scheme for industry and Government.

Outlook

During 2015-16 the Commission will transition into Access Canberra along with many other ACT regulatory agencies. The Commission will maintain its independence as a statutory authority but will gain the benefits of being part of an integrated and coordinated regulatory approach to business in the ACT.

The Commission will focus early in the new reporting period on implementing the changes to the *Gaming Machine Act 2004* that were made during 2014-15. Extensive changes to the Commission's administrative systems and practices in relation to the approval and regulation of gaming machine licensees and gaming machines is required particularly in relation to the new trading scheme and storage of machines. Providing information and assistance to industry will be a major focus in the early stages following commencement of the amendments.

Assistance with the finalisation of amendments to the *Lotteries Act 1964* as well as the implementation of the changes will be undertaken in the first half of the new reporting period. The amendments will provide greater flexibility in the approval process for the various lottery products, including trade promotions, raffles, Housie and Calcuttas. It will allow the setting of prize thresholds below which low risk lotteries will be able to be conducted without requiring an approval.

Advice and assistance will also be provided on an on-going basis with the identification and implementation of other potential red tape reduction measures to assist licensees and the Commission in their regulatory tasks.

The Commission's regulatory role in enforcing statutory compliance will continue on a risk basis during 2015-16. Periodic review of the assessed risks will occur during the reporting period to ensure that the Commission's compliance audit program is up to date and meets the changing requirements of the gaming environment. Focus will continue on the new licensees associated with the operation of the totalisator and the casino.

The Commission will liaise with licensees on an on-going basis to ensure that the on-line exclusion database is being appropriately utilised. Enhancements to the database to increase the functionality of the incidents register will be finalised and implemented.

The Commission will continue to work closely with Relationships Australia Canberra and Region, as the Gambling Counselling and Support Service provider, to assist them to deliver their services in

accordance with their contractual requirements. Emphasis will be placed on education and communication particularly with industry stakeholders.

The development of projects under the Problem Gambling Assistance Fund will continue in consultation with the Fund Advisory Committee. The continuation of the longitudinal study that is investigating clients' entry into, and use of, counselling services will be a key focus during the new reporting period.

The Commission will continue to ensure that allocations made from the Fund are made for a variety of projects, both short and longer term, and are in accordance with the requirements of the legislation. The Commission will carefully monitor project performance and Fund expenditure for efficiency and effectiveness.

The Commission's research program will continue into 2015-16 with the completion of the 2014 prevalence survey. This important project will update vital information about the ACT's prevalence of gambling and problem gambling and will enable trends over the last five years since the previous survey was conducted to be explored.

The results of research projects undertaken are used to inform about 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 Gambling Counselling and Support Service and are used to assist target educational programs.

The Commission recognises the value in engaging with stakeholders and will continue to actively seek community and industry input on relevant issues. To enhance this process, the Commission has established a Gambling Advisory Reference Group, the Problem Gambling Assistance Fund Advisory Committee and the Gambling Industry Consultative Committee to provide input on a range of issues related to problem gambling and gaming regulation.

The Commission's knowledge and skills will continue to be fostered through participation in national forums examining issues associated with gaming regulation and responsible gambling. These forums 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.

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 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 2015 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 Greg Jones

During the reporting period Dr Mark Doverty's appointment as a member expired on 12 September 2014. Ms Rebecca Vassarotti and Mr Paul Baxter were appointed as members by the Minister effective 28 November 2014 and 16 June 2015 respectively. Ms Alice Tay was appointed as Deputy Chairperson for a period of three years effective 16 June 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.

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. In addition to making decisions on major regulatory issues faced by the Commission, during the reporting period the Board made recommendations to the Minister to approve the transfer of the totalisator licence and the transfer of ownership of the casino licensee.

It also entered into the Deed of Collaboration with the NSW Office of Liquor Gaming and Racing to jointly conduct the *Client Cohort Longitudinal Study – Pathways into Problem Gambling Treatment and Journeys Beyond*.

Table 1: Commission Members' Attendance at Meetings – July 2014 to June 2015

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

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

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

The 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 and past president of IFAWPCA (International Federation of Asian and Western Pacific Contractors' Association) of which 15 countries are members.

Mr Haskin 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 9 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 has also had a long association with the Council of Social Service movement, serving on the Boards of ACOSS and the ACT Council of Social Service (ACTCOSS), including as President of ACTCOSS.

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.

Greg Jones (Chief Executive Officer & Member)

Mr Jones was appointed as the Commission Chief Executive Officer on 1 November 2005. He brings to the role extensive public sector experience including involvement with gaming regulation since 1993 incorporating 6 years as CEO and Chief Casino Inspector of the former ACT Casino Surveillance Authority. Mr Jones has an Honour's degree from ANU specialising in Economics and Psychology. Achievements include the conduct of the Commission's legislative review program which has seen comprehensive reviews conducted on the *Gaming Machine Act*, the *Casino Control Act* and the *Lotteries Act*. Mr Jones was instrumental in the development of the ACT's Code of Practice which was the first mandatory Code of Practice covering all gambling licensees in any Australian jurisdiction.

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:

Manager, Coordination and Revenue
Telephone: (02) 6207 0359

B.2 Performance Analysis

Output Class 1: Gambling Regulation and Harm Minimisation

Our objectives, deliverables and accountability indicators are published in the 2014-15 ACT Budget Statements. They are used to monitor and assess our 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

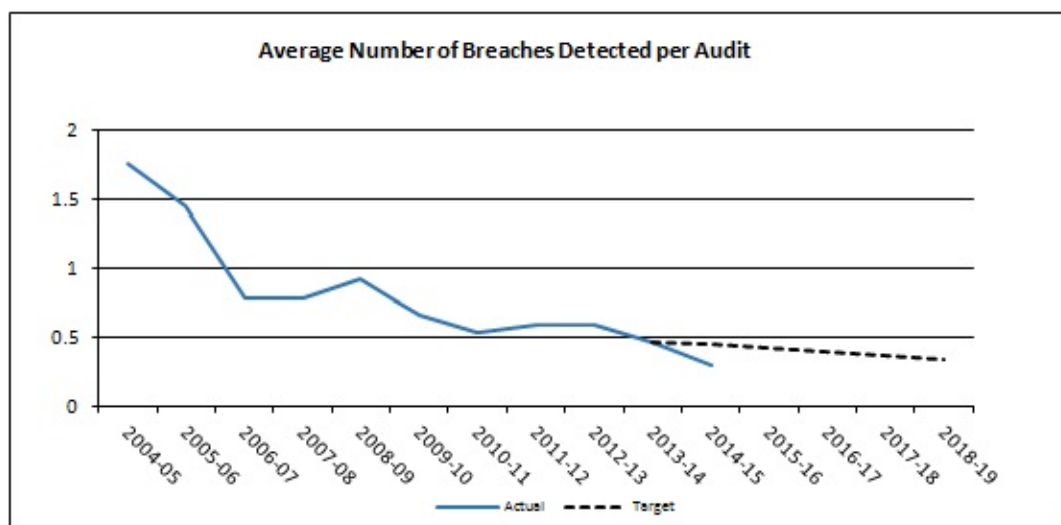
Accountability Indicator	Original Target 2014-15	Actual Result 2014-15	% Variance from Original Target
Conduct compliance audits of operator activity to detect compliance with legal framework <ul style="list-style-type: none"> - Casino - Gaming Machines - Bookmakers and Totalisator - Minor Lotteries <i>Effectively regulating gambling and racing activity for statutory compliance</i>	130 250 60 20	135 253 67 20	3.9 1.2 11.7 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	6	20
Initiate or complete projects through the Problem Gambling Assistance Fund <i>Undertake measures designed to reduce the negative impact of problem gambling</i>	3	3	0

Strategic Objectives and Indicators

Strategic Objective 1: Increase Gambling Operators' Compliance with Legislation

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

Strategic Indicator 1: Average Number of Breaches Detected per Audit



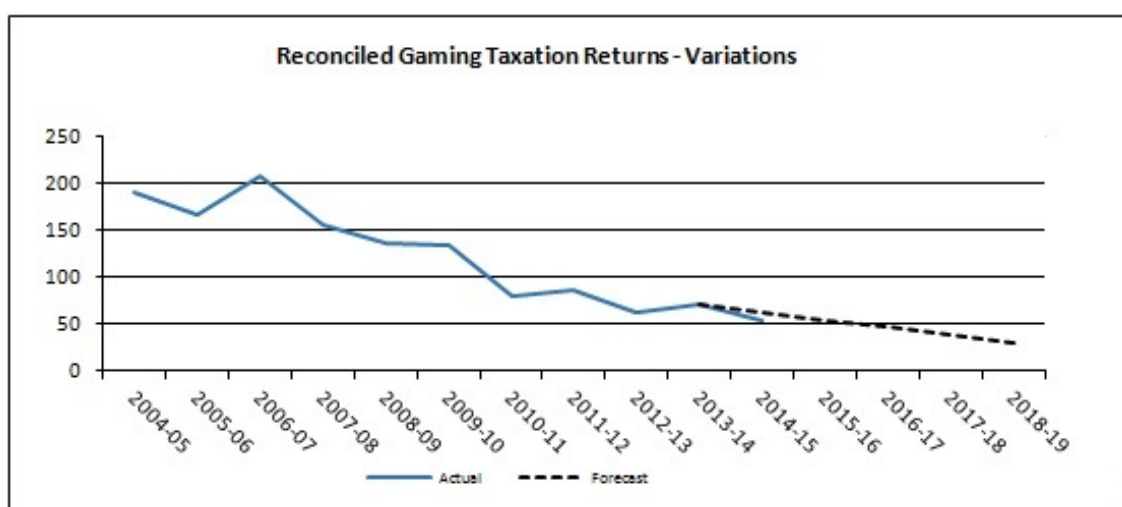
Result

The average number of breaches detected per audit decreased to 0.3 per audit for the 2014-15 financial year (0.46 in 2013-14). This decline reflects the Commission's 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

The Commission receives returns from operators along with payments for gambling related taxes, levies, fees and fines. The Commission reconciles the returns against operators' activities and issues variation advice if discrepancies are identified. The Commission aims 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 Commission's performance in this area.

Strategic Indicator 2: Reconciled Gambling Taxation Returns – Variations



Result

The actual number of variations for 2014-15 decreased to 52 (70 in 2013-14). This reduction was due to a combination of increased licensee diligence and a continued focus on the Commission's education program.

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, the Commission implemented the changes to the *Gambling and Racing Control (Code of Practice) Regulation 2002* following a review undertaken during the previous reporting period. These changes will assist in addressing the negative impacts of problem gambling in the community.

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 licence

During the reporting period there was a transfer of ownership of the casino licence.

In October 2013, Casinos Austria International Limited (CAIL) entered into negotiations with the Aquis Fung Group to purchase CAIL's interest in Casino Canberra and the Reef Hotel Casino Cairns (QLD). CAIL formally wrote to the Minister for Racing and Gaming on 31 March 2014 in order to seek approval for the proposed transfer of ownership of Casino Canberra to Aquis Canberra Proprietary Limited (Aquis).

An extensive probity investigation was conducted in conjunction with the Queensland Office of Liquor and Gaming Regulation into the suitability of Aquis. The sale of Reef Casino in Cairns ceased in November 2014 with the Commission completing the probity investigation in relation to Casino Canberra. In order to ensure the Territory's interests were protected and the Commission's regulatory role was able to be adequately performed, a number of licence conditions were negotiated as part of the transfer of ownership. Following the satisfactory completion of the Commission's probity investigation, the transfer of the casino licence was finalised on 23 December 2014.

Employee licensing

The licensing of persons employed in relation to gaming, security, finance and other key areas of the casino ensures that these people are eligible in accordance with the provisions of the *Casino Control Act 2006*. Employees in low risk areas of the casino (e.g. food and beverage and cleaning) are not required to be licensed.

Table 4: Summary of casino licensing activities 2014-15

Licences Processed	Numbers
New Employees	53
Renewals	80
Variations	28
Cessations	30
Current Casino Employees	
Licensed	182
Unlicensed	60

Casino layout

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

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

Four minor changes were approved by the Commission in 2014-15 for variations to the layout of the casino's approved gaming area. Of the four approvals one was revoked due to advice from the casino that they did not wish to proceed with the change to the layout.

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 a new playing card design, the use of pre-shuffled cards, new chip sorting machines, two new card shufflers, roulette wheel, card shoe and a new gaming table layout was given by the Commission during 2014-15.

One new multi-terminal electronic gaming system and two new suppliers were also approved during the period.

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 Mini Baccarat was given by the Commission during 2014-15.

There were no requests for the introduction of new games.

Operating times

The casino is required to operate, at minimum, during prescribed core hours, providing some certainty to patrons and tourists of the availability of this facility. Following the transfer of ownership of the casino on 23 December 2014, the casino licensee provided advice that they would increase their normal operating hours to 12pm to 4.00am each day, with flexibility to operate until 6am if required. This did not require Commission approval as the nominated hours were additional to the (minimum) core trading hours. The only exemption given to the casino to not operate during the core trading hours in 2014-15 related to part of Christmas Day.

Approval of control procedures

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

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

Approval for a number of new job descriptions and organisation charts were given by the Commission during 2014-15 as result of minor restructuring following the transfer of casino ownership.

Due to a change in casino operating times the manning levels in the Security control procedures were amended. A temporary amendment to the control procedures was also approved for the manning levels required for the reduced trading period on Christmas Day. These amendments were approved by the Commission after liaising with the casino licensee.

As a result of changes to the *Gambling and Racing Control (Code of Practice) Regulation 2002* approval was given by the Commission for changes to the casino's Exclusion Procedures. In addition, the Commission approved changes to the Gaming and Surveillance Maintenance Procedures.

The control procedures for Poker were changed to remove the use of a discard line and the control procedures for Mini Baccarat were changed in order to facilitate an amendment to the rules approved by the Commission.

Approval of Financial Arrangements

Upon application from the casino the Commission may approve:

- the use of a banking account by the casino licensee; and
- an auditor, to ensure that the accounts and financial statements of the casino are audited as soon as practicable after the end of the financial year.

Following the transfer of ownership of the casino on 23 December 2014, the Commission approved new bank accounts and a new auditor to accommodate the casino's new business requirements.

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. Due to the transfer of ownership of the casino, the Commission increased the number of compliance audits for this reporting period. During the reporting period a total of 135 audits of casino operations (compared to 100 audits last year) were undertaken as were investigations into alleged breaches of the rules and control procedures.

Breaches Detected

The Commission identified 354 minor breaches (compared to 360 last year) of the approved rules and procedures during the reporting period. The minor breaches for 2014-15 were as follows:

- 342 related to the failure to comply with the approved gaming procedures;
- four related to the failure to comply with the approved cash desk procedures; and
- eight 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 six more serious breaches of section 77 of the *Casino Control Act 2006* (the Act) where the casino failed to comply with their control procedures and two breaches of section 100 of the Act where a casino official failed to conduct an authorised game in accordance with the rules.

Disciplinary Action

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 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 two occasions for three breaches of the legislation. Disciplinary action was taken against a casino employee for two breaches of the legislation. The following table summarises these disciplinary matters.

Table 5: Summary of disciplinary matters during 2014-15

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
2.	77	Failure to conduct casino operations in accordance with and comply with approved control procedures	Casino Canberra \$1000 monetary penalty
	100	Failure to conduct an authorised game in accordance with the approved rules	Casino employee Reprimand

Casino Related Complaints

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

After investigation, two complaints were unsubstantiated and one was substantiated. The substantiated complaint was the result of an investigation that was conducted in relation to a Poker dispute. This investigation resulted in the casino and the patron resolving the matter without the necessity of any further action by the Commission.

Further information may be obtained from:

Manager, Compliance and Investigations

Telephone: (02) 6207 0359

ACT Gambling Exclusion Database

Self-exclusion is a key harm minimisation strategy used by the ACT Government to assist people who may be experiencing harm from gambling. It allows a person to voluntarily exclude themselves from a venue or venues with gambling facilities. The exclusion is registered with and monitored by the nominated venue.

The ACT Online Gambling Exclusion Scheme centralises and coordinates information about exclusions. People can ask to exclude themselves at any gambling venue, at the ACT Gambling Counselling and Support Service, or directly through the Commission. Once the information is registered in the database, it is immediately accessible to the venues from which the person has excluded themselves.

Venues benefit from a streamlined process and more effective monitoring system, making it easier for them to assist patrons who may be experiencing harm from gambling. This includes helping patrons to exclude themselves from gambling, and people who come into their venue while excluded.

In early 2015, development began on an upgrade to the database that will enable venues to record and follow up on gambling incidents.

More information about self-exclusion can be found at <http://www.gamblingandracing.act.gov.au/gambling-help/exclusion-support>

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.

Table 6: Summary of licensed venues and number of gaming machines allocated as at 30 June 2015

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	49	4956
Hotels/Taverns	9	66
Total	58	5022

Under the existing gaming machine cap of 5,024 there are two gaming machines remaining unallocated as at 30 June 2015.

Applications for Additional Gaming Machines

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

Applications to Relocate Gaming Machines

The Commission received eight small-scale machine relocation applications during the reporting period resulting in a total of 47 gaming machines being relocated between clubs who hold more than one licence. No large-scale machine relocation applications were received during the reporting period.

Licence Cancellations and Transfers

The Commission received two applications to transfer a licence during the reporting period. One licence was surrendered and one licence was cancelled. As a result of the licence being cancelled, two gaming machines were surrendered.

Application for Initial Gaming Machine Licence

One application for an initial gaming machine licence to operate 50 gaming machines was considered and issued during the reporting period.

Machine Access Control

On 25 November 2014, the Legislative Assembly passed the *Gaming Machine (Red Tape Reduction) Amendment Bill 2014* which amends the *Gaming Machine Act 2004* (the Act). The changes included increasing licensing periods for technicians from two to three years and removing the requirement for the licensing of gaming machine attendants.

Prior to this amendment, only authorised personnel were permitted to access the internal controls of gaming machines. This required the Commission to issue Approved Attendant Certificates to suitable persons who were nominated by licensees and Approved Technician Certificates to suitable persons employed by gaming machine suppliers or manufacturers.

Table 7: Summary of Attendant/Technician Certificates processed during 2014-15

Type of Commission Activity	Numbers
New and renewed Gaming Machine Attendant applications processed	157
New and renewed Gaming Machine Technician applications processed	23
Transfers and amendments to Gaming Machine Attendant Certificates	9
Transfers and amendments to Gaming Machine Technician Certificates	0
Cancellation of Attendant and Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by the licensee or supplier	82
Cancellation of Attendant or Technician Certificates as holder deemed unsuitable	0
Disciplinary Action – Approved Attendants/Technicians	0
Refusal to grant an Attendant or Technician Certificate	0
Refusal to renew an Attendant or Technician Certificate	0
Total current Approved Attendants	0
Total current Approved Technicians	44

Machine and Peripheral Equipment Variations – Technical

The Commission approves technical variations to gaming machines and associated peripheral equipment to ensure that the integrity of gaming in the Territory is maintained. Such variations may include changes to a machine's basic single line game, movement of a machine to or from a linked jackpot arrangement, an upgrade of game software, the trade-in of old games for more modern games or approving a new type of link controller (peripheral equipment).

The following table summarises gaming machine and peripheral equipment variation activity (including the disposal of machines) during the reporting period. The total value of new machines approved during the 2014-15 reporting period was \$9,315,155, which represents a 4 per cent increase compared to 2013-14.

Table 8: Summary of gaming machine and peripheral equipment variation activity 2014-15

Type of Commission Activity	Number/Value
Applications for new types of gaming machines from suppliers	420
Applications for new types of peripheral equipment from suppliers	19
Number of gaming machines converted on application by licensees	1,609
Number of gaming machines replaced on application by licensees	475
Total value of new (replacement) machines approved	\$9,315,155
Applications to operate a linked-jackpot arrangement	19
Applications to operate a multi-user linked-jackpot arrangement	0
Applications to relocate gaming machines between venues	8
Number of gaming machines relocated between venues	47
Number of gaming machines disposed of on application by licensees	2

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 2013-14 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 2013-14 report records a total of \$12.7 million in club community contributions from \$95.8 million in net gaming machine revenue, the contributions being 13.27 per cent of the net gaming machine revenue. \$8.2 million or 64.74 per cent of contributions was provided to sport and recreation.

By comparison, in 2012-13 a total of \$12.8 million was contributed to the community from net gaming machine revenue of \$99.5 million, the contributions being 12.86 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 2013-14 amounted to a total of \$8,740 of which \$5,318 was allocated to sport and recreation (60.85 per cent of total contributions). In 2012-13 total contributions from Hotels/Taverns was \$8,676.

Compliance Audits of Gaming Machine Licensees

During the reporting period a total of 253 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 112 breaches of the legislation (compared to 167 in 2013-14) including 60 breaches (compared to 108 last year) of the *Gaming Machine Act 2004*:

- one related to a failure to remain an eligible person as required by section 20(2);
- one related to a failure to remain an eligible corporation as required by section 21(1);
- 18 related to the failure to comply with a condition of the licence as required by section 39;
- one related to the failure to comply with a requirement for the issue of the licence as required by section 39A;
- one related to the failure to display the gaming machine licence or a copy of the licence at the entrance to each gaming area of the licensed premises as required under section 41;
- two related to the failure to keep a copy of the schedule to the licence at the licensed premises as required under section 42;
- one related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- seven related to the failure to display signage indicating the percentage payout as required under section 48;
- two related to the failure to comply with the Code of Practice as required by section 50;
- one related to a failure to ensure operation of gaming machines as required by section 51;
- 10 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);

- five related to the failure to record accurate and correct details in the machine access register for the licensed gaming machines on the premises as required under section 71;
- one related to the failure to notify the Commission that an Approved Attendant was no longer employed by the licensee as required by section 94(2)
- two related to the access of a gaming machine by a person who was not authorised as required by section 128;
- four 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);
- 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); and
- one related to the failure to ensure that an ATM is limited to a maximum of \$250 per card per gaming day as required by section 153A.

There were six breaches of the *Gaming Machine Regulation 2004* (compared to one in 2013-14) in relation to gaming machine licensees:

- five related to failure of a licensee to ensure that high denomination note acceptors were not operated as required by section 75; and
- one related to failure of a licensee to have control procedures for recording cashless gaming systems as required by section 32.

There were 35 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (compared to 34 last year) in relation to gaming machine licensees:

- two 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);
- two related to the failure to ensure that a gambling contact officer was appointed to the gambling facility as required by section 1.9(1);
- one related to failure to ensure non cash payment of winnings occurred within 3 days as required by section 1.23A;
- 18 related to the failure to make information available to patrons as required under section 1.25(3);
- one related to the failure to ensure that the correct time was displayed prominently within the facility as required by section 1.26;
- 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;
- four related to the failure to meet the requirements for promotions and inducements as required by section 1.30;
- two related to failure to ensure that gaming machine promotions had alternative methods of entry as required by section 1.30A;
- one related to the failure to properly advise of changes to GCO details as required by section 11; and
- three related to failure to acknowledge notifications on the exclusion register as required by section 20A(1)(b).

There were also 11 breaches of the *Lotteries Act 1964* detected (compared to 12 in 2013-14) during audits of gaming machine venues:

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

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):

- an investigation was conducted into a staff member accessing gaming machines and making entries in machine access registers at a venue while they were not an Approved Attendant in contravention of sections 71(4) and 128(1) of the *Gaming Machine Act 2004* (the Act). This investigation revealed breaches of sections 71(4) and 128(1) of the Act and resulted in the licensee of the venue being issued with a reprimand;
- an investigation was conducted into a staff member accessing gaming machines and making entries in machine access registers at a venue while they were not an Approved Attendant in contravention of sections 71(4) and 128(1) of the *Gaming Machine Act 2004* (the Act). This investigation revealed breaches of sections 71(4) and 128(1) of the Act and resulted in the licensee of the venue being issued with a written warning; and
- an investigation was conducted into a venue that had been subject to a winding-up order. The investigation revealed that the licensee had breached sections 20(2) and 21(1) of the Act due to the licensee no longer being eligible to maintain its gaming machine licence. This resulted in the licensee having their gaming machine licence cancelled.

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

Table 9: Summary of disciplinary matters during 2014-15

Licensee	Section	Description of the Breaches	Disciplinary Action Taken
Fyshwick Tavern	71	Unauthorised person making entries in machine access registers	Reprimand
	128	Unauthorised person accessing gaming machines	
Wood Duck Inn	162	Failure to submit gaming machine tax return by the seventh day after the end of the relevant month	Reprimand
O'Neill's of Dickson	161	Failure to pay gaming machine tax by the seventh day after the end of the relevant month	Reprimand
	162	Failure to submit gaming machine tax return by the seventh day after the end of the relevant month	
	163A	Failure to pay the problem gambling assistance fund levy on the seventh day of the month	
O'Neill's of Dickson	161	Failure to pay gaming machine tax by the seventh day after the end of the relevant month	Suspension of gaming machine licence for seven days
	163A	Failure to pay the problem gambling assistance fund levy on the seventh day of the month	
	39	Failure to comply with a condition of a licence in respect of section 50: <ul style="list-style-type: none"> - failure to comply with the relevant Code of Practice - provide gambling services without completing approved gambling training required by section 1.4(1)(a) of the Code 	
O'Neill's of Dickson	20	Failure to remain an eligible person	Cancellation of gaming machine licence
	21	Failure to remain an eligible corporation	

Appeals Against Disciplinary Penalties

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

Gaming Machine Related Complaints

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

Both complaints were found by the Commission to be unsubstantiated.

Further information may be obtained from:

Manager, Compliance and Investigations
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

On 22 November 2013, the ACT Government announced its intention to privatise the Territory owned corporation ACTTAB Limited. The *Totalisator Act 2014* (the Act) commenced in March 2014 in anticipation of the proposed sale.

Following a competitive tender and the completion of the sale process, Tabcorp ACT Pty Ltd was selected as the successful purchaser of ACTTAB subject to a number of conditions including meeting the eligibility criteria defined in the Act. A full analysis of available information relating to the corporation, relevant related corporations and all eligible persons was conducted to confirm the applicant's eligibility to be the totalisator licensee.

The Commission determined that there were no disqualifying grounds whereby the corporation or any of its individual persons would be considered ineligible. In relation to Tabcorp ACT Pty Ltd's ability to operate a totalisator, the Commission concluded that its gaming experience, governance, business associates, business systems and continuity plans were satisfactory, resulting in its business reputation also being satisfactory. Overall, the Commission concluded that there were no eligibility objections to Tabcorp ACT Pty Ltd being permitted to operate totalisator activities in the Territory.

Approval was provided by the Minister for Racing and Gaming to transfer the totalisator licence, which occurred on 14 October 2014.

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 10: Summary of race bookmaking activities 2014-15

Type of Commission Activity	Number
New Race Bookmaking Licence	0
Renewed Race Bookmaking Licence	4
New Race Bookmaker's Agents Licence	1
Renewed Race Bookmaker's Agents Licence	0
Total current Race Bookmaking Licences as at 30 June 2015	10
Total current Race Bookmaker's Agents Licences as at 30 June 2015	6

Sports Bookmaking Operations

On 23 March 2015, Networks Pty Ltd formally surrendered its sports bookmaking licence. Prior to the licence surrender, a number of discussions were held with the licensee in relation to the return of outstanding customer funds. Once suitable evidence was provided that the licensee had satisfied this requirement, the Commission issued final instructions for the release of the \$250,000 security guarantee held for the duration of the licence.

Tabcorp ACT Pty Ltd (Tabcorp ACT) acquired an ACT sports bookmaking licence as of 14 October 2014 as part of the ACTTAB Limited sale. Prior to acquiring the licence, an extensive probity investigation was undertaken on the prospective licensee together with the executive officers and associated Tabcorp companies. No adverse findings in terms of the suitability requirements of the *Race and Sports Bookmaking Act 2001* were revealed during the investigation. As part of the sale process ACTTAB Limited surrendered their sports bookmaking licence.

Since obtaining the licence, Tabcorp ACT has undertaken a process of business rationalisation. In May 2014 Tabcorp ACT wrote to the Commission to obtain the required regulatory approvals to transition from the ACT based ACTTAB Limited wagering systems to the main Tabcorp wagering systems predominantly based in Melbourne. This process is ongoing and the subject of discussion between the Commission and Tabcorp ACT.

The Commission has also approved several changes to the approved rules, events and venues that Tabcorp ACT uses for the conduct of its sports bookmaking operations. It is anticipated that over the coming 12 to 18 months, further amendments will be sought in order to facilitate the ongoing changes to the retail and associated network infrastructure.

Table 11: Summary of sports bookmaking activities 2014-2015

Type of Commission Activity	Number
New Sports Bookmaking Licence	1
Renewed Sports Bookmaking Licence	0
Surrendered Sports Bookmaking Licence	2
New Sports Bookmaker's Agents Licence	0
Renewed Sports Bookmaker's Agents Licence	0
Total current Sports Bookmaking Licences as at 30 June 2015	1
Total current Sports Bookmaker's Agents Licences as at 30 June 2015	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.

On Monday 16 February 2015, the *ABC Four Corners* program aired video footage of owners and trainers of greyhounds in New South Wales, Queensland and Victoria engaging in 'live baiting'.

The Commission was asked by the Minister for Racing and Gaming to investigate whether any alleged perpetrators of live baiting had been active in the ACT, with two individuals identified as having raced in the ACT a number of years ago. The Commission continues 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.

The Commission has conducted several inspections of the Canberra Greyhound Racing Club during the trialling of greyhounds as part of their compliance program and 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 67 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*.

Due to the sale of ACTTAB to Tabcorp ACT additional audits were undertaken to ensure compliance by the new licensee.

Breaches Detected

The Commission identified six breaches of the *Race and Sports Bookmaking Act 2001* (compared to three in 2013-14).

Five breaches were identified during the reporting period related to the failure to ensure that wagers were only accepted for authorised events as required by section 73A(1)(b).

One breach related to the failure to comply with the *Gambling and Racing Control (Code of Practice) Regulation 2002* as required by section 63.

There was one breach of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (compared to nil in 2013-14) which related to the failure to meet the requirements for promotions and inducements as required by section 1.30.

These breaches were rectified by the licensee at the time.

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:

Manager, Compliance and Investigations

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 NSW Lotteries and the 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. Persons wishing to conduct a lottery in the Territory must apply in writing for approval unless the lottery is an exempt lottery (further information is available from the Commission directly or via its website).

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 2014-15 (compared to 5,197 in 2013-14).

Table 12: Summary of lotteries permits issued in 2014-15

Type of Approval	Amount
Trade Promotion Lotteries	4,509
Raffles	501
Housie	9
Other	8
Total	5,027

A further 653 lottery amendment applications were approved in the reporting period.

Further information may be obtained from:

Manager, Gaming Regulation

Telephone: (02) 6207 0359

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.

During the reporting period a total of 20 audits were conducted on lottery and pool betting providers inclusive of six targeted audits which were conducted for the purpose of educating the lottery operators about legislative requirements such as the necessity to obtain a permit and restrictions on the advertising of lottery products.

Breaches Detected

The Commission identified 16 breaches (compared to 34 in 2013-14) of the *Lotteries Act 1964*:

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

Lotteries Related Complaints Received

The Commission received nine lotteries related complaints during the reporting period. One complaint was withdrawn, two complaints were substantiated and six were unsubstantiated. 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 13: Summary of complaints received during 2014-15

Gambling Provider	Received	Substantiated	Not Substantiated	Ongoing	Incapable of Determination	Withdrawn
Casino	3	1	2	0	0	0
Gaming Machines	2	0	2	0	0	0
Lotteries	9	2	6	0	0	1
Racing and Wagering	0	0	0	0	0	0
Unlawful Games	0	0	0	0	0	0
Total	14	3	10	0	0	1

There was one complaint under investigation at the end of the previous reporting period. The complaint has since been finalised and was resolved to the satisfaction of the complainant.

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 2014-15, the Commission received no *Applications for Approval to Conduct a Game*. No applications were received in 2013-14.

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

Interactive Gaming Regulation

In 2014-15 there were no interactive gaming service providers licensed in the Territory.

Further information may be obtained from:

Manager, Compliance and Investigations
Telephone: (02) 6207 0359

Red Tape Reduction

As part of the ACT Government commitment to red tape reduction, on 25 November 2014 the Legislative Assembly passed the Gaming Machine (Red Tape Reduction) Amendment Bill 2014.

The key changes resulted in:

- allowing gaming machines to be relocated within approved gaming areas without the need for administrative approvals;
- clarifying that amendment of a club constitution at the direction of the Commission may occur without an election of voting members;
- removing the requirement to maintain machine access registers and replacing them with computer cabinet access registers;
- increasing licensing periods for technicians to three years;
- removing the requirement for the licensing of gaming machine attendants; and
- providing assistance to small licensees by redesigning the requirements for payment by licensees to the Problem Gambling Assistance Fund (PGAF).

With the exception of the amendment in relation to payments to the PGAF, all amendments commenced on 5 December 2014.

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.

Following the sale of Casino Canberra from Casinos Austria to Aquis Canberra Pty Ltd, a change in the Casino Licence Fee determination, made by the Minister for Racing and Gaming, became effective. This determination provided that the licensee would pay the amount of \$4,459,385 on or before 7 February 2015. The next licence fee payment is due 7 February 2020.

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 18 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);
- six 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 are required to pay an annual licence fee.

Following the sale of ACTTAB to Tabcorp ACT Ltd, a new Totalisator (Licence Fee) Determination became effective. This determination provides that the licensee will pay the amount of \$1,000,000 (indexed by CPI each year) on or before 14 October in each year of the licence term commencing in 2014.

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:

Manager, Compliance and Investigations
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 initiate or complete five research projects during the reporting period.

The Commission meets its research obligations through a range of activities and strategies including the sponsoring and funding of 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.

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

ANU Centre for Gambling Research

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

The Foundation of the 2014 Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT was completed in December 2014. This project established the goals and objectives of the proposed 2014 survey and developed the survey instrument. The overarching purpose of this project was to update and improve the methodology of the previous survey conducted in 2009 while balancing the importance of assessing gambling behaviour and problems over time.

The completion of this project triggered the initiation of the *2014 Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT*. This will be the second such survey conducted in the ACT, the last being undertaken in 2009. The purpose of the survey is to inform the Commission and other stakeholders about the social and economic aspects of gambling and problem gambling in the ACT. Comparison of the findings of the 2014 survey with the findings of the 2009 survey will assist the Commission and others to measure changes in gambling behaviour and problems over time.

The report *Preventive Interventions for Problem Gambling: A Public Health Perspective* was published in February 2015. The purpose of this study was to inform policy and preventive initiatives for problem gambling addressing both the general population and groups considered to have a high risk of developing gambling problems. The key finding from the report was that public health approaches used in response to other health and wellbeing matters can provide an appropriate and useful framework for gambling and problem gambling.

The Centre also completed the research project *The Client Cohort Longitudinal Study – development, piloting and engaging agencies for recruitment*. This study clarified the design and methodology of the longitudinal project, and recommended that the study remain quantitative in nature, that service providers continue to be engaged throughout the study, and that consistency in interviewers over time would assist with participant retention and engagement.

The Commission subsequently initiated the second year of the research project *The Client Cohort Longitudinal Study: Pathways into problem gambling treatment and journeys beyond*. The overarching goal of this five-year project is to provide a high quality evidence base for informing strategies to encourage help-seeking for problem gambling, and to determine where and when systematic follow-up of former clients is warranted. The study will follow clients of services over at least two years, investigating the pathways by which they reached the help service, reasons for

leaving treatment early, the extent to which gambling-related problems reoccur, and the level of re-engagement with help services. It is being conducted as a joint project with the NSW Office of Liquor, Gaming and Racing.

Gambling Research Australia

Gambling Research Australia (GRA) is cooperative research endeavour which commissions gambling research on behalf of and funded by all Australian jurisdictions including the ACT. The previous five year GRA Memorandum of Understanding between Australian jurisdictions expired on 30 June 2014. All jurisdictions have expressed the desire for the continuation of cooperation on national gambling research projects and number of proposals to continue GRA are under consideration by member jurisdictions.

During the reporting period the Commission analysed one research report completed by GRA.

GRA published the research report *Impact of Structural Characteristics of Electronic Gaming Machines* in December 2014. The study suggested that many of the characteristics such as free spins, the size of available bets and game features that triggered bonus points or 'double your money' have been linked to players exceeding their pre-commitment levels during a game playing session. It suggested that problem gamblers were in general more likely to respond to these characteristics than non-problem gamblers.

GRA also published the research report *Marketing of Sports Betting and Racing* in May 2015. The Commission will analyse this research and report on its findings in the next reporting period.

A copy of the completed research reports can be found on the Gambling Research Australia website

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

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

- efficacy of gambler self-help strategies;
- the use of social media in gambling;
- loyalty programs;
- casinos and responsible gambling; and
- innovations in traditional gambling products.

These research projects are scheduled to be finalised in the next 12 months.

Further information may be obtained from:

Manager, Policy and Research

Telephone: (02) 6207 0359

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 on a voluntary basis from Tabcorp and Casino Canberra Limited. 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 15 summarises the Fund's projects as at 30 June 2015 including the status and funding.

ACT Gambling Counselling and Support Service

The ACT Gambling Counselling and Support Service seeks to assist people presenting with gambling problems, including their family or friends. Relationships Australia, in partnership with Care Inc financial counselling service, began delivery of the service on 1 July 2014. It is funded by the Problem Gambling Assistance Fund under contract until 2017.

The Service offers one-on-one counselling and group sessions as well as specialist financial counselling. Referrals to other support services in the ACT are also provided to assist clients who may be experiencing difficulties in other aspects of their life. The service seeks proactive involvement with stakeholders to prevent or curb problem gambling before it causes harm.

In the first year of service, the ACT Gambling Counselling and Support Service conducted 444 counselling sessions for people with gambling related issues, 67 counselling sessions for the family or friends of gamblers and 421 financial counselling sessions.

Relationships Australia engaged with stakeholders to provide information on the service they offer, develop networks and raise awareness of problem gambling with a diverse range of ACT community sector organisations. In addition to meetings with gambling providers, the Service has been involved with promotions at the Canberra Institute of Technology market day, Seniors Week, the Multicultural Festival and Gambling Contact Officer training.

Access to a counsellor and other resources is also available through the National Gambling Helpline on 1800 858 858.

Table 14: Problem Gambling Assistance Fund Receipts 2014-15

Licensee	Amount \$	Licensee	Amount \$
Ainslie Group		Harmonie German Club	1,650
– Ainslie Football and Social Club	39,007	Hellenic Club Group	
– Canberra City Bowling Club	742	– Hellenic Club in the City	6,381
– Gungahlin Lakes Golf & Community Club	51,299	– Hellenic Club of Canberra	69,965
Australian Croatian Club	65	Italo Australian Club	2,708
Austrian Australian Club	873	Magpies Group	
Belconnen Bowling Club	466	– Magpies Belconnen Golf Club	1,509
Belconnen Soccer Group		– Magpies City Club	2,082
– Belconnen Soccer Club - Hawker	10,301	– Magpies Sports Club	13,735
– Belconnen Soccer Club - McKellar	12,149	Mawson Club	29,539
Canberra Bowling Club	393	Murrumbidgee Country Club	545
Canberra Club (The)	100	National Press Club	540
Canberra Deakin Football Club	4,128	Spanish Australian Club Incorporated	85
Canberra Highland Society & Burns Club	13,331	Tuggeranong Rugby Union Group	
Canberra Irish Club Limited	3,121	– Chisholm Sports Club	30,296
Canberra Labor Group		– Lanyon Valley Rugby Union & Amateur Sports Club	28,905
– Canberra Labor Club	93,726	– Town Centre Sports Club	42,340
– City Labor Club	20,775	– Tuggeranong Valley Rugby Union & Amateur Sports Club	45,429
– Ginninderra Labor Club	26,005	Woden Tradesmen's Union Club	21,731
– Weston Creek Labor Club	9,927	Yowani Country Club	1,601
Canberra North Bowling and ACT Rugby Union Club Group		Sub Total – Clubs	1,005,556
– RUC at Barton	690	Civic Pub	511
– RUC at Turner	1,379	Fyshwick Tavern	674
Canberra Racing Club	9	Kambah Inn	578
Canberra Raiders Group		Kingston Hotel	337
– Raiders Gungahlin	57,649	Moby Dick's Tavern	57
– Raiders Belconnen	36,142	Mercure Canberra	191
– Raiders Weston	24,471	O'Neills of Dickson ¹	237
Canberra Southern Cross Group		PJ O'Reilly's Tuggeranong Irish Pub	127
– Southern Cross Club	75,459	Statesman Hotel Motel	134
– Southern Cross Club - Jamison	24,283	Wood Duck Inn	10
– Southern Cross Club – Tuggeranong	48,527	Sub Total – Hotels/Taverns	2,856
– Southern Cross Club - Yacht Club	760		
Canberra Tradesmen's Union Club	95,924	Casino Canberra	45,455
Eastlake Group		ACTTAB	12,952
– Calwell Club	22,530	Tabcorp	32,503
– Eastlake Football Club	20,049	Sub Total – Others	90,910
– Sports Club Kaleen	12,159		
Federal Golf Club	76	TOTAL²	1,099,322

1. No longer a licensee at 30 June 2015.

2. Total Income to the Problem Gambling Assistance Fund does not include bank interest (\$31,343), legal resources received free of charge (\$15,366), return of unspent funds for the provision of problem Gambling Support Services in 2013-14 (\$80,382) 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 (\$169,423).

Table 15: Problem Gambling Assistance Fund – Projects and Funding as at 30 June 2015

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2014-15 (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 2014-2015, the Service conducted 444 gambling counselling appointments and 67 family and friends counselling appointments.</p> <p>This includes 421 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>	<p>\$809,606</p> <p>\$2174</p>	<p>Relationships Australia for the provision of gambling counselling and support services.</p> <p>Weekend Australian - Advertisement of Procurement.</p>
<p>Training for Non-Gambling Specific Community Sector Workers</p> <p>Introductory Level Course: <i>'Let's Talk About Gambling'</i></p>	Community sector workers in the ACT have increased skills to assist their clients who may have problems with gambling.	Due to decreasing course enrolment no courses were run in the second half of 2014. Two additional training courses are planned for the second half of 2015.	\$70,000	\$0	N/A
<p>Training for Non-Gambling Specific Community Sector Workers</p> <p>Intermediate Level Course: <i>'Beyond Smoke and Mirrors'</i></p>	<p>Community sector workers in the ACT have increased skills to assist their clients who have problems with gambling.</p> <p>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.</p>	<p>Ongoing - Approximately 25 people completed this training during 2014-15.</p> <p>Dates have been secured for one additional training session on 11 September 2015.</p>	\$15,000	<p>\$5,263</p> <p>\$324</p> <p>\$608</p>	<p>The Association of Children's Welfare Agencies Inc. for the provision of training.</p> <p>Gambling and Racing Commission for reimbursement of refreshments and lunch.</p> <p>Room Hire</p>

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2014-15 (excl GST)	Recipient of funds
Acquisition and Introduction of Exclusion Capability in the ACT	<p>This project seeks to deliver a more effective venue exclusion scheme in the ACT by:</p> <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. 	<p>Completed 2013-14 - Development of the database and completion of user acceptance testing.</p> <p>The database became operational in late June 2014. All licensees are using the database.</p> <p>Initiated - Enhancements approved by the Commission 16 September 2014 will increase functionality of gambling incident handling and follow up in the database.</p>	<p>\$300,000</p> <p>\$50,000</p>	\$13,861	<p>Payment to Hammond Street Development and SS-ICT for project development and support.</p> <p>Hammond Street Development for changes to database functionality.</p>
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.	Ongoing - This project will develop an appropriate communication strategy which will be applied to an updated website. The scope of works will be informed by further work following the outcomes of the Prevention Interventions for Problem Gambling research paper by the ANU.	\$40,000	\$0	N/A
Research Project: <i>'Preventive Interventions for Problem Gambling'</i>	An understanding of preventive approaches used in other health and wellbeing areas that may be effective in the problem gambling context.	Completed - The final report was published 10 February 2015.	\$95,000	\$8,286	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 2014-15 (excl GST)	Recipient of funds
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.	<p>Completed - A pilot study was completed in October 2014.</p> <p>An ACT/NSW steering committee to oversee the project has been established.</p> <p>Initiated - Recruitment of clients and engagement of help services in ACT and NSW.</p>	\$786,109	\$273,564	Australian National University Centre for Gambling Research for the conduct of identified research project.
Youth Coalition of ACT 'Young People and Gambling'	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.	Initiated – This project was approved by the Commission on 10 February 2015. The pilot project is expected to commence in the first quarter of 2015–2016.	\$161,484	\$0	

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2014-15 (excl GST)	Recipient of funds
Multicultural Information for culturally and linguistically diverse (CALD) Groups in the ACT	<p><u>Part 1</u> Multicultural information addressing problem gambling and identifying the generic phone number for the ACT Gambling Counselling and Support Service is distributed across the ACT multicultural community.</p> <p><u>Part 2</u> Broadcast of a recorded help-seeking message over community radio in a number of languages and in English.</p>	<p>Completed 2013-14 - Material in 10 languages was available for distribution to the wider Canberra community during the ACT Multicultural Festival. The material is currently being utilised by a number of clubs, Tabcorp and Casino venues.</p> <p>Initiated - A recorded message in 12 languages other than English are being broadcast at relevant time slots by Community Radio 2XXFM. Broadcasting commenced in November 2014 for an initial period of six months, and has since been extended.</p>	\$16,000	<p>\$0</p> <p>\$7,420</p>	<p>ACT Publishing Services for the design, translation and printing of multicultural posters, business cards and Keno terminal displays.</p> <p>Community Radio 2XX FM Inc. for production and broadcast of message.</p>
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 2015-2016.	\$24,038	\$8,564	Australian Online Gambling Victoria.
TOTAL			\$4,039,516	\$1,129,670	

Total expenditure from PGAF does not include: bank fees of \$52, postage of \$27 and legal services provided by the ACT Government Solicitors Office of \$16,285.

Further information may be obtained from:

Manager, Policy and Research
Telephone: (02) 6207 0359

Statement of Intent

There are three additional performance measures contained in the Commission's 2014-15 Statement of Intent.

REVIEW GAMING LEGISLATION AND POLICIES AND IMPLEMENT CHANGES – Completion of 1 report, brief or review

During the reporting period the Commission implemented the outcomes of two reviews.

Gaming Machine Regulation 2004

The Commission approved the limited use of cashless gaming technology in the ACT in February 2014. Cashless gaming refers to any device used instead of cash to store a monetary value for use in playing a gaming machine, such as a ticket, card, tag or similar device. The Minister for Racing and Gaming approved the drafting of amendments to the *Gaming Machine Regulation 2004* by the Parliamentary Counsel's Office. Additional amendments were made to increase the prescribed thresholds for annual reporting by clubs of contractual arrangements and the reporting of remuneration as a red tape reduction initiative. The amendments took effect on 8 September 2014.

Gambling and Racing Control (Code of Practice) Regulation 2002

Following an extensive review of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code), amendments to the Code were made on 27 July 2014 and the new Code came into effect on 1 August 2014. The Commission engaged in extensive stakeholder engagement as part of the implementation of the changes, including industry seminars to ensure that licensees were aware of the changes and how they would be affected. The Commission also reassessed a number of approvals under the Code where requirements had changed, in particular for training programs for employees.

During the reporting period the Commission also provided input into the review of the *Gaming Machine Act 2004* and the *Lotteries Act 1964*.

Gaming Machine Act 2004

The Commission reviewed draft legislation and provided feedback to Chief Minister, Treasury and Economic Development Directorate during development of the *Gaming Machine (Reform) Amendment Act 2015*. The Commission also consulted closely with the Directorate regarding implementation of the reforms. The amendments give legislative effect to significant elements of the Gaming Machine Reform Package that was announced by the Government on 2 October 2014. The amendments enable the implementation of a trading scheme, a new licensing framework, new taxation measures, a population-based ratio for the number of gaming machine authorisations in the Territory, and transitional provisions. The Bill was introduced to the Legislative Assembly in May 2015.

Lotteries Act 1964

In March 2015, the Commission identified the need for amendments to provisions of the *Lotteries Act 1964* to allow for greater flexibility in the way the Act regulates small-scale lotteries such as bingo and school raffles. The Commission consulted with the Chief Minister, Treasury and Economic Development Directorate during the development of drafting instructions for the proposed amendments to the Act. The amendments are expected to be introduced to the Legislative Assembly in late 2015.

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 Commission members attended the 2015 Australasian Casino and Gaming Regulators' Conference held in Sydney in May 2015. The Commission's Chief Executive Officer attended the CEOs meetings held in Canberra in November 2014 and again in Sydney in May 2015.

EFFECTIVELY MANAGE COMMISSION RESOURCES – Achieve or improve the 2014-15 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.

Gaming Machine Reform Package

Recent changes to the Gaming Machine Act 2004 represent a dramatic shift for the gaming machine industry, introducing a trading scheme and a new licensing and authorisation framework. Under the new framework, licensees will be able to trade authorisations and gaming machines with each other on an open market, subject to the scrutiny of the Commission.

Storage arrangements will be more flexible, allowing licensees to respond to business requirements and reducing the number of operating gaming machines in the ACT.

In addition, the amendments allow for a number of actions that currently require approval from the Commission, to be notified to the Commission before they take place. Maintaining its oversight role, the Commission will have the opportunity to review the proposed action and take appropriate steps.

Implementing these changes will be a challenge for the industry and the Commission. We will work with the industry and other areas of the ACT Government to ensure that the transition to the new regime is as smooth as possible.

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 16: Summary of Inquiry into Appropriation Bill 2014-15

Committee	Report Title	Date Tabled
Select Committee on Estimates 2014-2015	Appropriation Bill 2014-2015 and Appropriation (Office of the Legislative Assembly) Bill 2014-15	5 August 2014

http://www.parliament.act.gov.au/in-committees/select_committees/estimates-2014-2015/inquiry-into-appropriation-bill-2014-2015-and-the-appropriation-office-of-the-legislative-assembly-bill-2014-2015/reports?inquiry=565330

Table 17: Summary of recommendations relevant to the Commission

Recommendation	Government Response	Agency Implementation
Recommendation 135 The Committee recommends that the Minister for Racing and Gaming make a statement informing the ACT Legislative Assembly on the outcome of the probity checks of Aquis' suitability to operate Casino Canberra.	Agreed - Once the Gambling and Racing Commission's suitability report has been received and considered.	No longer required - given the extensive media reports on the successful sale of Casino Canberra in 23 December 2014, a statement was not made in the ACT Legislative Assembly.
Recommendation 136 The Committee recommends that should the completion of the probity checks of Aquis' suitability to operate the Casino Canberra be delayed beyond October 2014, the Minister for Racing and Gaming should make a statement, at the next available sitting, informing the ACT Legislative Assembly and provide an explanation for the delay.	Agreed	A detailed explanation of the outcomes were provided at the Standing Committee on Public Accounts hearing on 11 November 2014 and therefore the Committee is referred to the relevant Hansard.
Recommendation 137 The Committee recommends that the ACT Government detail to the Legislative Assembly on the final outcomes of the collapse of Sports Alive.	Noted - A detailed explanation of the outcomes were provided at the Estimates hearings and therefore the Committee is referred to the relevant Hansard.	Complete

Table 18: Summary of Report 11 Annual and Financial Reports 2014-15

Committee	Report Title	Date Tabled
Standing Committee on Public Accounts	Report 11: Report on Annual and Financial Reports 2013-14	26 March 2015

http://www.parliament.act.gov.au/in-committees/standing_committees/Public-Accounts/inquiry-into-the-into-annual-reports-government-agencies-amendment-bill-2014/reports?inquiry=710273

Table 19: 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	On-going

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

The Standing Committee's report is expected to be issued in September with the Government's response due in November 2015. The Commission will report on the implementation of any recommendations made by the Committee in the next reporting period.

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 2014-15 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 Debt Management, Report No. 01/2015, conducted by the ACT Audit Office. This report provides the Auditor-General's findings on the effectiveness of the management of debts owed to the Territory by non-ACT Government entities.

This audit included consideration of:

- whole-of-government:
 - policies, procedures and guidance material; and
 - initiatives to improve debt collection processes;
- the internal governance and control framework for ACT Government entities with respect to debt management; and
- a detailed analysis of selected ACT Government entities debt management.

The report made eight 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:

Manager, Coordination and Revenue
Telephone: (02) 6207 0359

Client Cohort Longitudinal Study

Very little is understood about why people do or do not seek help for gambling problems, or the type of help they need. The Centre for Gambling Research at the Australian National University, through funding from the Problem Gambling Assistance Fund, is conducting a study which seeks to answer these questions and improve services in the long-term.

The Client Cohort Longitudinal Study will follow people who are receiving, or have received assistance from a gambling support service over a number of years to identify patterns and trends in how and why people access services and the types of services sought.

People from the ACT will be recruited over each year of the study. The project will also partner with agencies and people seeking help in NSW. The Commission will be working jointly with the NSW Office of Liquor, Gaming and Racing over the life of this project. Both jurisdictions look forward to the findings of the research to inform service delivery in this area.

If you or anyone you know is experiencing harm from gambling, help is available. Immediate assistance is available by calling 1800 858 858 or through the national online help service at www.gamblinghelponline.org.au.

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 has adopted a risk based approach. A thorough risk assessment is conducted for each licensee to look at its practices to identify the activities, situations, processes etc that may cause an adverse outcome. After identification is made, the Commission evaluates how likely and severe the risk is, and then decides what measures should be in place to effectively prevent or control the adverse outcome.

The audits conducted by the Commission aim to verify that the licensee has adequate and appropriate policies, systems and processes in place so that the licensee is able to comply with the mandated legislative requirements attached to the licence.

For the Commission, the most adverse outcome is licensee non-compliance with the relevant regulatory requirements, which presents risks to patrons and the integrity of the Commission's Audit Program. Recognising that resources are limited, and licensees cannot be monitored at all times, the Commission's risk-based approach to monitoring compliance is as follows:

- identify the main risks to patrons and the Audit Program;
- identify the type and frequency of monitoring activities, consistent with available resources and an acceptable level of residual risk; and
- take action to address the greatest risks.

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

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 20: Summary of meetings attended by members and observers

Name of Member	Position	Meetings Attended
Mark Doverty	Member	1
Alice Tay	Member/Chair	3
Rebecca Vassarotti	Member	2
Greg Jones	Chief Executive Officer/Observer	3
Ron Leonard	Chief Finance Officer/Observer	3

The expiry of Dr Doverty's term as a Board member in September 2014 resulted in a vacancy on the Committee. At the Commission's September Board meeting members resolved that Ms Tay be appointed as the Committee's Chair. At the time of Ms Vassarotti's appointment, members resolved to appoint Ms Vassarotti as an interim member of the Committee until such time that a new Commission member was appointed.

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 endorsed the charters at its meeting in March 2015 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 2015 meeting, members reviewed the Committee's Program of Works 2014-15 and noted that a number of items were not completed by the proposed date due to the time delay in the appointment of Board members.

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, a Taxation Compliance Review was conducted by KPMG with no adverse findings.

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.

All staff have access to documents and other information concerning fraud awareness and prevention, together with details of the appropriate contact officers. These include the Risk and Fraud Plans, the Fraud Risk Register, the ACTPS Integrity Policy, information on the *Public Disclosure Act 2012* and procedures for actioning Public Interest Disclosures and the ACTPS Code of Ethics.

Fraud awareness and ethics training is provided to all Commission employees on an annual basis and is part of the induction process for new employees. Fraud and integrity matters are also discussed at management and section meetings.

There were no incidents of fraud reported in the Commission during the reporting period.

Further information may be obtained from:

Manager, Coordination and Revenue
Telephone: (02) 6207 0359

B.7 Work Health and Safety

The Commission is conscious of the requirements of work safety legislation and implements appropriate work practices particularly in relation to staff workloads, provision of furniture and other office environmental matters. The Commission arranges workstation assessments for all new employees and for internal staff movements in order to minimise the potential risk of repetitive strain injuries.

The Commission continues 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 also continues to make available a number of health and wellbeing initiatives to staff.

The Commission continues 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 the reporting period.

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

The Commission remains committed to maintaining the health and safety of its employees and has two trained health and safety representatives. Workplace Health and Safety is managed in accordance with the provisions of the *Work Safety Act 2011* (WHS Act). The Commission also has appointed two qualified first aid officers and two fire wardens who are provided with ongoing training throughout the year. Additionally, as a part of a risk management strategy, all of the Compliance and Investigations team have 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.

Throughout the reporting period, the Commission participated on the Chief Minister, Treasury and Economic Development Directorate Workplace Health and Safety Committee. A Commission health and safety representative attended three meetings throughout the reporting period.

The Commission also participated in the Chief Minister, Treasury and Economic Development Workplace Consultative Committee which continued to meet to consolidate consultation and communication between managers, staff and unions.

Within the reporting period, the Commission formed an internal Workplace Consultative Committee and implemented a dynamic risk register as part of the ongoing ACT Government Workplace Health and Safety Management System Framework.

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.

Commission staff are consulted on a regular basis by the health and safety representatives and given opportunities at staff meetings to raise issues associated with workplace health and safety.

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

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

During the reporting period Commission employees 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;
- continued provision of a carer/nursing mothers room and staff room;
- 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;
- eyesight testing reimbursement initiatives;
- 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

The Commission workforce is structured 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 the Commission supports staff development through identifying core training needs and encouraging skill and knowledge enhancement.

The Commission has 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.

The Commission is committed to the development and retention of competent and skilled employees. The Commission's strategy for employing effective people is 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 either in-house or external to the Commission.

The Commission acknowledges the importance of the community and stakeholders having confidence in its actions. To achieve this, the Commission continues to promote and utilise 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 participates in the Chief Minister, Treasury and Economic Development Directorates RED Contact Officer's Network Group.

Learning and Development

The Commission has continued to make learning and development a key priority during 2014-15. 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 also provides new staff members with an induction manual which is a reference point for essential information. The aim of the induction manual is to ensure new starters are aware of and understand key principles and practices within the Commission and more broadly with the ACT Government along with their responsibilities as an employee.

The Commission continues to provide support and study assistance for staff who are interested in furthering their qualifications.

One staff member has completed a Certificate IV in Government (Investigations) and one staff member is currently undertaking a Diploma of Government (Investigations).

The 2014-15 ACTPS Training Calendar was also utilised as part of the Commission's training and development scheme with 13 staff members attending ACTPS courses at a cost of \$4,053.

Table 21: Summary of training courses attended by Commission staff

Learning & Development Initiative	Number of participants
Regulatory Reform Seminar	5
ACT Government Tax Training	2
Project Management	1
Excel – Formulas and Functions	1
Excel – Analysing Data	1
Senior First Aid Certificate	10
Job Application and Interview Skills	1
Word – Styles, Templates and Mail Merge	1
Squiz Matrix	1
Contract Management	1
Risk Management	1
Managing Psychological Illness in the Workplace	1
Staff Induction	1

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 to assist staff members in growing their knowledge and skills. This will ensure that the Commission maintains an appropriately skilled workforce to assist 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 comprises of a workforce of 34 people with the majority (61.76 per cent) employed on a permanent basis. Permanent part-time employees make up 11.76 per cent of the workforce, with the majority being female. The Commission had the following staff profile at 30 June 2015.

Table 22: FTE and headcount

Agency Profile	FTE	Headcount
Total	31.4	34

Table 23: FTE and headcount by gender

Full Time Equivalent (FTE) and Headcount	Female	Male	Total
FTE by gender	14.5	16.9	31.4
Headcount	16	18	34
% of workforce (based on headcount)	47.1%	52.9%	100.0%

Table 24: Headcount by classification and gender

Classifications	Female	Male	Total
Executive Officers	0	1	1
Senior Officers	5	8	13
Administrative Officers	11	9	20
Total	16	18	34

Table 25: Headcount by employment category and gender

Employment category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	10	11	21
Permanent Part-time	3	2	5
Temporary Full-time	3	4	7
Temporary Part-time	0	1	1
Total	16	18	34

Table 26: Headcount by age group and gender

Age Group	Female	Male	Total
Under 25	1	1	2
25-34	3	4	7
35-44	7	3	10
45-54	3	6	9
55 and over	2	4	6

Table 27: Average length of service by gender (Headcount)

	Female	Male	Total
Average years of service	5.5	8.8	7.3

Table 28: Headcount by diversity group

Diversity Group	Number	Percentage
Aboriginal and Torres Strait Islander	1	2.9%
Culturally & Linguistically Diverse	1	2.9%
People with disability	0	0.0%

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

Table 29: Recruitment and Separation Rates

Agency	Recruitment Rate	Separation Rate
Gambling and Racing	3.8%	11.3%
Total	3.8%	11.3%

Table 30: Recruitment and Separation Rates by Classification Group

Agency	Recruitment Rate	Separation Rate
Administrative Officers	0.0%	6.4%
Senior Officers	9.2%	18.4%
Total	3.8%	11.3%

Further information may be obtained from:

Manager, Coordination and Revenue
Telephone: (02) 6207 0359

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.

Table 31: Sustainable development performance 2012-2013 and 2013-2014

Indicator as at 30 June	Unit	2014-15	2013-14	Percentage change
Agency staff and area				
Agency staff	FTE	31.4	30.6	2.6
Workplace floor area	Area (m ²)	531	531	0
Stationary energy usage^{1,2}				
Electricity use	Kilowatt hours	58,667	64,204	(8.6)
Renewable electricity use ⁵	Kilowatt hours	0	0	0
Natural gas use	Megajoules	131,328	130,389	0.7
Transport fuel usage				
Total number of vehicles	Number	2	2	0
Total kilometres travelled	Kilometres	7,200	9,956	(27.7)
Fuel use – Petrol	Kilolitres	0.628	0.795	(21.0)
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 usage^{1,3}				
Water use	Kilolitres	241.55	273.13	(11.6)
Resource efficiency and waste¹				
Reams of paper purchased	Reams	520	482	7.9

Indicator as at 30 June	Unit	2014-15	2013-14	Percentage change
Recycled content of paper purchased	Percentage	47.6	50	(4.8)
Waste to landfill	Litres	27,289	27,943	(2.3)
Co-mingled material recycled	Litres	5,675	6,457	(12.1)
Paper & Cardboard recycled (incl. secure paper)	Litres	21,716	11,841	83.4
Organic material recycled ⁶	Litres	4,490	743	504.3
Greenhouse gas emission's⁴				
Emissions from stationary energy use	Tonnes CO ₂ -e	55.47	76.42	(27.4)
Emissions from transport	Tonnes CO ₂ -e	1.61	2.04	(21.1)
Total emissions	Tonnes CO ₂ -e	57.08	78.46	(27.3)

Notes

- Figures have been provided by the Chief Minister, Treasury and Economic Development Directorate, Corporate Management Section, and are calculated on whole of building consumption apportioned to the Commission based on net lettable office area.
- The Enterprise Sustainability Platform was used to provide historical data for the previous FY column (2013-14) in this current Annual Report. This will account for data different to that originally published in the 2013-14 report, as more comprehensive and complete data is now available.
- The reduction in water consumption is attributed to the following action taken by the building owner: an upgrade to the HVAC system was finalised during the year; the Building Management System was adjusted to be responsive to outside air temperature rather than operate on a timed basis; and the toilet facilities on six floors were replaced with more efficient fittings.
- Greenhouse gas emissions for electricity consumption have been calculated using an emissions factor of 0.802 kilogram (kg) CO₂-e / kilowatt hour (kWh) or 0.802 tonne (t) CO₂-e / megawatt hour (MWh). This lower emissions factor (Scope 2 plus Scope 3) is specific to the ACT and reflects the contribution of renewable electricity generated under the ACT's 90% Renewable Energy Target (RET).
- ACT Property Group purchased 7,700 MWh (Mega Watt hours) of GreenPower on behalf of the ACT Government, representing an indicative 5% of the ACT Government's energy consumption for 2014 - 15.
- Increased amount of organic material recycled is due to the contracted service provider being operational for the full reporting period.

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.

During the reporting period the Commission maintained accreditation in the Office Smart sustainability program coordinated by the Environment and Sustainable Development Directorate.

Additionally, the Commission has been advised that the following action had been taken to reduce greenhouse emission in the Canberra Nara Centre during the reporting period:

- Installation of LED Lighting. After installation was completed, a reduction in electricity use of 27% was seen.
- Section 23 of the Commissioner for Environment ACT 1993 requires the disclosure of:
- requests for staff to assist in the preparation of the State of the Environment Report;
- assistance provided in the response to such a request;
- investigations carried out by the Commissioner of any activities performed by the Commission; and
- recommendations made by the Commissioner following an investigation of the Commission's activities and any actions taken in response to those recommendations.

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

Further information may be obtained from:

Manager, Coordination and Revenue
Telephone: (02) 6207 0359

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 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 and Victorian lotteries);
- minor lottery fees (promotions and raffles);
- casino tax and fees;
- ACTTAB licence 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

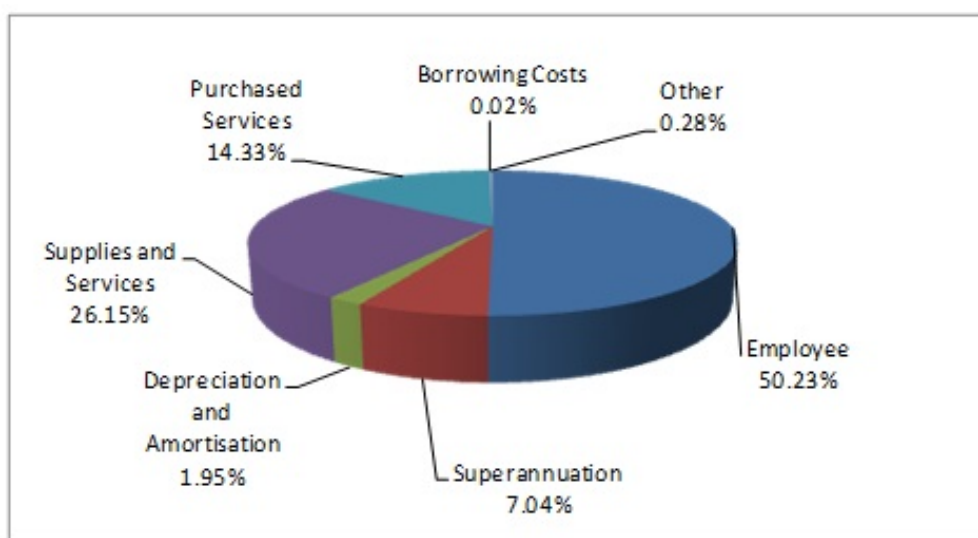
The following financial information is based on audited Financial Statements for 2013-14 and 2014-15 and the forward estimates contained in the 2014-15 Statement of Intent.

Total Expenditure

1. Components of Expenditure

Figure 1 indicates the components of the Commission's expenditure for 2014-15 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 **50.2 per cent** of ordinary activities or **\$2.838 million**.

Figure 1 - Components of Expenditure in 2014-15



2. Comparison to Budget

Expenditure

Total expenditure, not including taxation revenue transferred to Government, of **\$5.650 million** was **\$0.098 million**, or **1.7 per cent** lower than the 2014-15 budget of **\$5.748 million**. This was mainly due to lower employee expenses (**\$0.123 million**) due to the time lag between staff departures and the recruitment of new staff as well as several staff utilising part-time employment arrangements. This was partially off-set by higher supplies and services (**\$0.032 million**) as a result of:

- higher expenditure from the Problem Gambling Assistance Fund related to projects aimed at reducing the negative impact of problem gambling. These projects included:
 - client cohort longitudinal study – Pathways into Problem Gambling Treatment and Journeys Beyond;
 - training for non-gambling specific community workers; and
 - radio announcements for the culturally and linguistically diverse communities.

- higher Research Expenses due to increased research activity being undertaken by the Australian National University Centre for Gambling Research. This research includes:
 - Understanding the Self Exclusion Process in the ACT; and
 - 2014 Prevalence Study – Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT.

3. Comparison to 2013-14 Actual Expenditure

Total expenditure, not including taxation revenue transferred to Government, was **\$0.543 million**, or **10.6 per cent**, higher than the 2013-14 actual result. This increase is mainly due to higher Purchased Services (**\$0.159 million**) with the Commission entering into a new contract with Relationships Australia for the provision of problem gambling support services from 1 July 2014. This contract replaced the previous arrangement with Mission Australia. Expenditure was also higher with increased Amortisation (**\$0.032 million**) due to the ACT On-Line Gamblers Exclusion Database being operational over a full reporting period; and higher supplies and services (**\$0.400 million**) mainly as a result of:

- higher Research Expenses due to increased research activity being undertaken by the Australian National University Centre for Gambling Research. This research includes:
 - *Understanding the Self Exclusion Process in the ACT; and*
 - *2014 Prevalence Study – Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT;*
- higher Legal Fees due to increased engagement of ACT Government Solicitors Office services during the reporting period. This increase is mainly due to services provided relating to the Commission's role in making a recommendation to the Minister on the sale of Casino Canberra; and
- higher Payments from the Problem Gambling Assistance Fund in 2014-15 relating to projects aimed to reduce the negative impact of problem gambling. These projects in 2014-15 include:
 - client cohort longitudinal study – *Pathways into Problem Gambling Treatment and Journeys Beyond;*
 - training for non-gambling specific community workers; and
 - radio announcements for the culturally and linguistically diverse communities.

These increases were partially off-set by lower employee expenses (**\$0.061 million**) due to a staff member taking a voluntary redundancy following a minor restructure during the previous reporting period.

4. Future Trends

Expenditure is budgeted to increase in 2015-16 by **\$0.243 million** mainly due to increased staff expenditure following an expected return to budgeted staffing levels and wage increases that form part of the 2013-17 Enterprise Agreement.

Total Income

1. Components of Income

Although the Commission collects and verifies revenue from gambling taxes, levies, fees and fines, all such revenue is 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

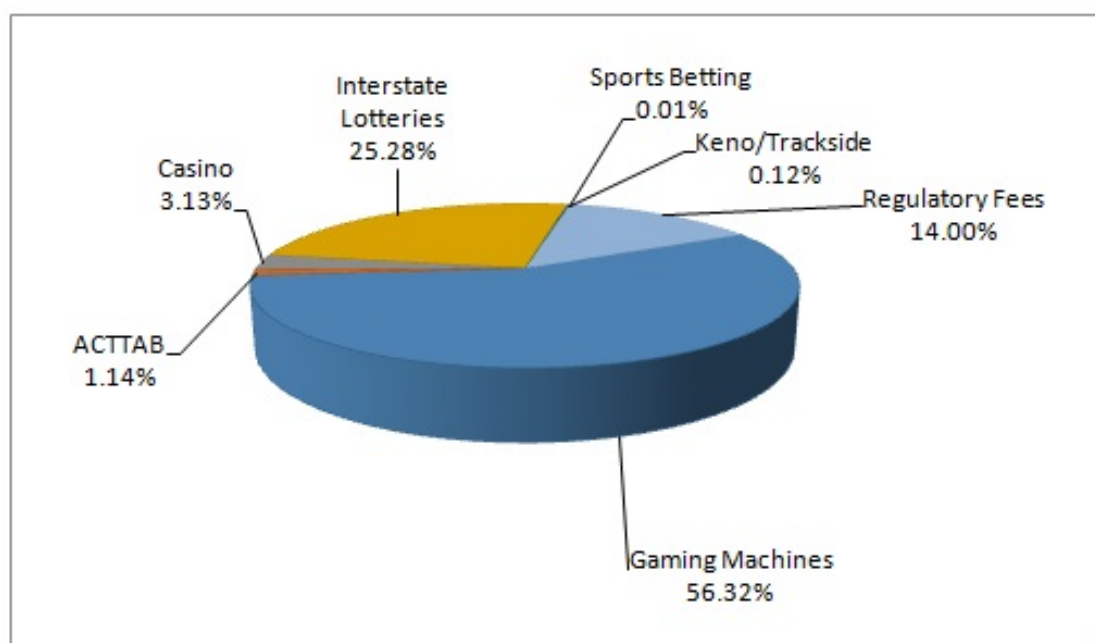
in relation to gaming operations such as licensing applications, raffle and trade promotion permit applications and general gaming and racing approvals.

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 2014-15, appropriation payments from Government totalled **\$4.614 million**.

The Commission also receives a Problem Gambling Assistance Fund levy from gaming machine licensees as well as voluntary contributions from ACTTAB (until October 2014), Tabcorp (from October 2014 due to the sale of ACTTAB to Tabcorp ACT Ltd) 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 2014-15, the total amount received by the Commission in the Problem Gambling Assistance Fund was **\$1.348 million**.

Figure 2 below indicates that for the financial year ended 30 June 2015 the Commission received **\$33.074 million** or **56.3 per cent** of its total gambling revenue from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2014-15



2. Comparison to Budget

Revenue

For the year ending 30 June 2015 gambling revenue was **\$58.730 million** which was **\$2.087 million** higher than the 2014-15 budget of **\$56.643 million**. This was mainly due to higher interstate lotteries revenue (**\$0.144 million**) from higher than expected ticket sales; and higher than expected regulatory fees (**\$4.890 million**) which includes:

- totalisator (**\$1.000 million**) due to a new Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014*. The new fee was notified in October 2014 as part of the sale of ACTTAB to Tabcorp ACT Ltd; and
- casino (**\$4.116 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*. This change was notified in January 2015 as part of the sale process of the casino and will not require further payment until 7 February 2020.

These increases were partially off-set by lower taxation receipts for gaming machines (**\$1.778 million**) and the casino (**\$0.155 million**) as a result of lower gambling activity; lower ACTTAB revenue (**\$1.085 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 percent. 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*.

3. Comparison to 2013-14 Actual Income

Revenue

Gambling revenue in 2014-15 was **\$3.132 million**, or **5.5 per cent**, higher than the 2013-14 actual result. This was mainly due to an increase in regulatory fees (**\$5.078 million**) as follows:

- totalisator (**\$1.000 million**) due to a new Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014*. The new fee was notified in October 2014 as part of the sale of ACTTAB to Tabcorp ACT Ltd; and
- casino (**\$4.116 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*. This change was notified in January 2015 as part of the sale process of the casino and will not require further payment until 7 February 2020.

These increases were partially off-set by decreases in:

- taxation receipts for gaming machines (**\$0.611 million**) and the casino (**\$0.060 million**) as a result of lower gambling activity;
- interstate lotteries revenue (**\$0.320 million**) due to a decrease in ticket sales; and
- ACTTAB revenue (**\$1.023 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 percent. 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*.

Gains

Income from gains was **\$0.121 million** or **84.0 per cent** lower than the 2013-14 actual result of **\$0.144 million**. This is mainly due to a Restructure Fund Receipt for a staff member taking a voluntary redundancy following a minor restructure during the previous reporting period that did not re-occur.

4. Future Trends

Total gambling revenue for 2015-16 is budgeted to decrease by **\$4.297 million** compared to the 2014-15 actual result due to expected decreases in:

- regulatory fees (**\$4.759 million**) as a result of 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*. This change was notified in January 2015 as part of the sale process of the casino and will not require further payment until 7 February 2020;
- ACTTAB revenue (**\$0.672 million**) following new licensing arrangements as a result of the sale of ACTTAB to Tabcorp ACT Ltd in October 2014; and
- casino revenue (**\$0.299 million**) based on current revenue projections.

These decreases are expected to be partially offset by increases in gaming machine revenue, Interstate Lotteries, Keno and Tracksides based on current revenue projections.

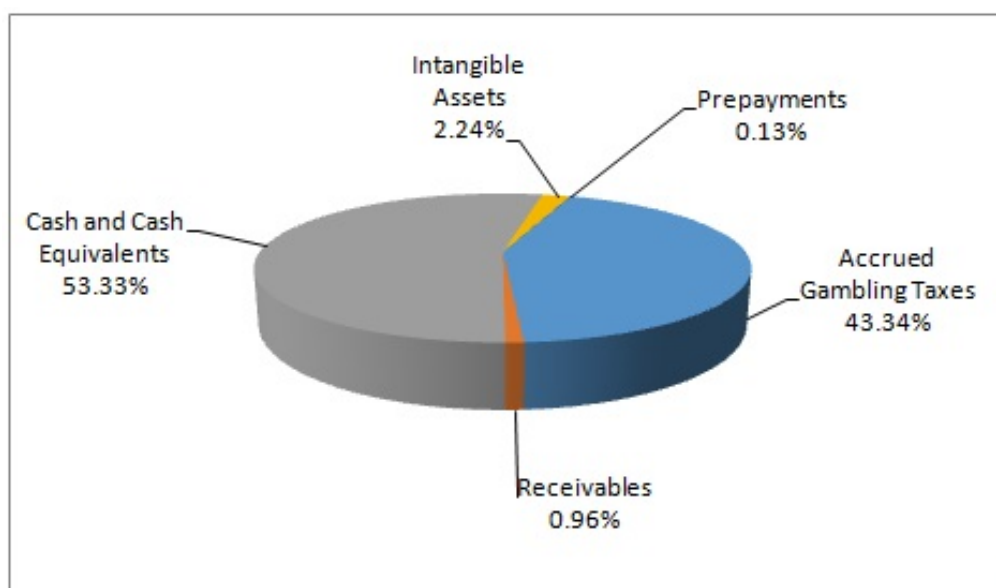
Commission's Financial Position

Total Assets

1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2015, **43.3 per cent** of the Commission's assets were accrued gambling taxes and **53.3 per cent** were cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2015



2. Comparison to Budget

The total asset position as at 30 June 2015 of **\$9.163 million** is **\$0.648 million** higher than the 2014-15 budget of **\$8.515 million**. The increase is mainly based on higher cash and cash equivalents (**\$1.051 million**) due to positive cash flows generated from operating activities and intangible assets (**\$0.036 million**) mainly due to the enhancements made to the Gaming Machine Database. This was offset by lower receivables (**\$0.412 million**) mainly due to lower accrued gambling taxes as a result of reduced gambling activity in June 2015.

3. Comparison to 2013-14 Actuals

The Commission's total asset position is **\$0.424 million** higher than the 2013-14 actual result of **\$8.739 million** mainly due to an increase in cash and cash equivalents (**\$0.989 million**) as a result of positive cash flows generated from operating activities. This increase has been partially off-set by a reduction in:

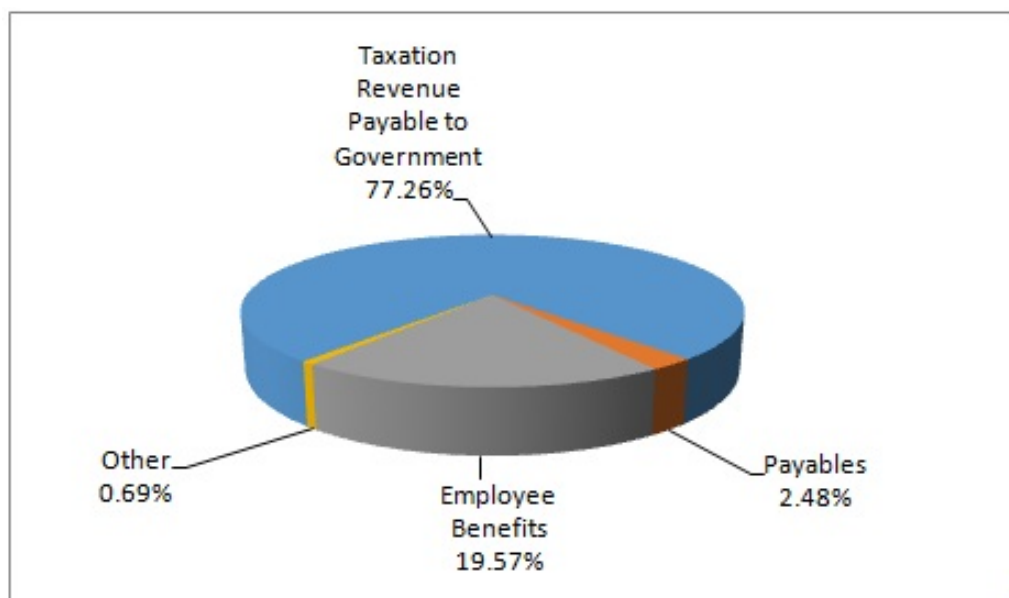
- receivables (**\$0.471 million**) due to lower accrued gambling taxes as a result of reduced gambling activity in June 2015 and reimbursement from the Restructure Fund not received in the previous reporting period now being received; and
- intangible assets (**\$0.083 million**) due to the ACT On-Line Gamblers Exclusion Database being depreciated over a full reporting period.

Total Liabilities

1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities as at 30 June 2015 relate to taxation revenue payable to Government (**77.3 per cent**) and employee benefits (**19.6 per cent**).

Figure 4 – Total Liabilities as at 30 June 2015



2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2015 of **\$5.139 million** is **\$0.516 million** lower than the 2014-15 budget of **\$5.655 million** due to:

- lower taxation revenue payable to Government (**\$0.286 million**) as a result of lower gambling taxes from reduced gambling activity in June 2015;
- lower payables (**\$0.041 million**) as a result of a large number of invoices being received and paid prior to the end of the reporting period;
- lower employee benefits (**\$0.071 million**) as a result of the Commission's long service leave liability being less than anticipated;
- finance leases (**\$0.027 million**) due to a Whole of Government transition from finance lease arrangements to operating lease under the Commonwealth Fleet Service Contract; and
- other liabilities (**\$0.091 million**) due to the casino licence fee being recognised as revenue at the time of payment rather than revenue received in advance; one sports bookmaker ceasing operations during the reporting period and the other sports bookmaking licensee not paying the annual licence fee prior to when it was due.

3. Comparison to 2013-14 Actuals

Total liabilities are **\$0.253 million** lower than the 2013-14 actual results of **\$5.392 million** mainly due to:

- lower taxation revenue payable to Government (**\$0.234 million**) as a result of lower gambling taxes from reduced gambling activity in June 2015;
- other liabilities (**\$0.092 million**) due to the casino licence fee being recognised as revenue at the time of payment rather than revenue received in advance; one sports bookmaker ceasing

- operations during the reporting period and the other sports bookmaking licensee not paying the annual licence fee prior to when it was due; and
- finance leases (**\$0.021 million**) due to a Whole of Government transition from finance lease arrangements to operating lease under the Commonwealth Fleet Service Contract.

These decreases have been partially offset by an increase in employee benefits (**\$0.016 million**) mainly due to an increase in long service leave liability unpaid at 30 June 2015 and payables (**\$0.078 million**) as a result of invoices relating to shared tenancy and telephone expenses occurring in 2014-15 not being received prior to the end of the reporting period.

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 1 – Current Ratio

Description	Prior Year Actual 2013-14 \$'000s	Current Year Budget 2014-15 \$'000s	Current Year Actual 2014-15 \$'000s	Forward Year Budget 2015-16 \$'000s	Forward Year Budget 2016-17 \$'000s	Forward Year Budget 2017-18 \$'000s
Current Assets	8,429	8,308	8,957	8,758	9,005	9,255
Current Liabilities	5,264	5,463	5,071	5,070	5,086	5,101
Current Ratio	1.60:1	1.52:1	1.77:1	1.73:1	1.77:1	1.81:1

The Commission’s current ratio for the financial year ended 30 June 2015 is **1.77 to 1** which is higher than the budgeted current ratio of **1.52:1**. The higher ratio reflects increased cash and cash equivalents (**\$1.051 million**) from the positive cash flows generated from operating activities, offset by lower receivables (**\$0.412 million**) mainly due to a decrease in accrued gambling taxes as a result of lower gambling activity in June 2015.

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: Audit

A15/24

Noted 6/8/2015
Mr John Haskins
Chair
ACT Gambling and Racing Commission
Level 2, Canberra Nara Centre
1 Constitution Avenue
CANBERRA ACT 2601

Dear Mr Haskins

**AUDIT REPORT – ACT GAMBLING AND RACING COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

The Audit Office has completed the audit of the financial statements of the ACT Gambling and Racing Commission for the year ended 30 June 2015.

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, Ms Joy Burch MLA.

Yours sincerely

A handwritten signature in blue ink that reads 'Malcolm Prentice'.

Malcolm Prentice
Acting Director, Financial Audits
3 August 2015

c.c. Mr Greg Jones, 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 2015 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, 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 2015:

- (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 as at 30 June 2015 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.



Malcolm Prentice
Acting Director, Financial audits
3 August 2015



ACT
Government



GAMBLING
AND
RACING
COMMISSION

ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2015

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 2015 and the financial position of the ACT Gambling and Racing Commission on that date.

John Haskins
Chairperson
ACT Gambling and Racing Commission

14 July 2015



ACT
Government



GAMBLING
AND
RACING
COMMISSION

ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2015

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 2015 and the financial position of the ACT Gambling and Racing Commission on that date.

Ron Leonard
Chief Finance Officer
ACT Gambling and Racing Commission

14 July 2015

ACT GAMBLING AND RACING COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2015

	Note No.	Actual 2015 \$	Original Budget 2015 \$	Actual 2014 \$
Income				
<i>Revenue</i>				
Government Payment for Outputs	4	4,614,000	4,614,000	4,499,000
Taxation and Levies Collected on Behalf of the Territory	5	50,507,792	53,311,000	52,453,889
Regulatory Fees	6	8,222,461	3,332,000	3,144,854
Interest	7	137,089	86,000	124,864
Resources Received Free of Charge	8	76,746	25,000	31,209
Other Revenue	9	1,348,208	1,085,000	1,125,732
<i>Total Revenue</i>		<u>64,906,296</u>	<u>62,453,000</u>	<u>61,379,548</u>
<i>Gains</i>				
Other Gains	10	23,093	32,000	144,322
<i>Total Gains</i>		<u>23,093</u>	<u>32,000</u>	<u>144,322</u>
Total Income		<u>64,929,389</u>	<u>62,485,000</u>	<u>61,523,870</u>
Expenses				
Employee Expenses	11	2,837,970	2,961,000	2,898,845
Superannuation Expenses	12	397,624	421,000	396,613
Supplies and Services	13	1,477,311	1,445,000	1,077,610
Purchased Services	14	809,606	810,000	650,730
Depreciation and Amortisation	15	110,159	109,000	78,169
Borrowing Costs	16	1,094	2,000	1,709
Other Expenses	17	15,778	0	2,563
Taxation and Levies Revenue Transferred to Government		58,730,253	56,643,000	55,598,743
Total Expenses		<u>64,379,795</u>	<u>62,391,000</u>	<u>60,704,982</u>

ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2015

		Actual	Original Budget	Actual
	Note No.	2015 \$	2015 \$	2014 \$
Operating Surplus		549,594	94,000	818,888
Other Comprehensive Income				
<i>Items that will not be reclassified to profit or loss</i>				
Increase/(Decrease) in the Asset Revaluation Surplus	28	0	0	1,344
Total Other Comprehensive Income		0	0	1,344
Total Comprehensive Income		549,594	94,000	820,232

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 2015

	Note No.	Actual 2015 \$	Original Budget 2015 \$	Actual 2014 \$
Current Assets				
Cash and Cash Equivalents	20	4,886,520	3,836,000	3,897,962
Receivables	21	4,059,094	4,471,000	4,530,056
Prepayments		11,634	1,000	1,146
Total Current Assets		8,957,248	8,308,000	8,429,164
Non-Current Assets				
Plant and Equipment	22	0	38,000	20,883
Intangible Assets	23	205,289	169,000	288,681
Total Non-Current Assets		205,289	207,000	309,564
Total Assets		9,162,537	8,515,000	8,738,728
Current Liabilities				
Payables	24	127,288	168,000	49,262
Finance Leases	25	0	20,000	6,120
Employee Benefits	26	937,192	892,000	876,801
Taxation and Levies Revenue Payable to Government		3,970,780	4,257,000	4,204,714
Other Liabilities	27	35,280	126,000	126,975
Total Current Liabilities		5,070,540	5,463,000	5,263,872
Non-Current Liabilities				
Finance Leases	25	0	7,000	15,056
Employee Benefits	26	68,788	185,000	113,185
Total Non-Current Liabilities		68,788	192,000	128,241
Total Liabilities		5,139,328	5,655,000	5,392,113
Net Assets		4,023,209	2,860,000	3,346,615
Equity				
Accumulated Funds		4,019,757	2,858,000	3,343,163
Asset Revaluation Surplus	28	3,452	2,000	3,452
Total Equity		4,023,209	2,860,000	3,346,615

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 2015

	Note No.	Accumulated Funds Actual 2015 \$	Asset Revaluation Surplus Actual 2015 \$	Total Equity Actual 2015 \$	Original Budget 2015 \$
Balance 1 July 2014		3,343,163	3,452	3,346,615	2,639,000
Comprehensive Income					
Operating Surplus		549,594	0	549,594	94,000
Total Comprehensive Income		549,594	0	549,594	94,000
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		127,000	0	127,000	127,000
Total Transactions Involving Owners Affecting Accumulated Funds		127,000	0	127,000	127,000
Balance at 30 June 2015		4,019,757	3,452	4,023,209	2,860,000

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 2014 \$	Asset Revaluation Surplus Actual 2014 \$	Total Equity Actual 2014 \$
	Note No.			
Balance 1 July 2013		2,524,275	2,108	2,526,383
Comprehensive Income				
Operating Surplus		818,888	0	818,888
Increase in the Asset Revaluation Surplus	28	0	1,344	1,344
Total Comprehensive Income		818,888	1,344	820,232
Balance at 30 June 2014		3,343,163	3,452	3,346,615

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 2015

	Note No.	Actual 2015 \$	Original Budget 2015 \$	Actual 2014 \$
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		4,614,000	4,614,000	4,499,000
Taxation and Levies Collected on Behalf of the Territory		50,833,421	53,312,000	52,499,977
Regulatory Fees		8,130,766	3,331,000	3,145,103
Interest Received		137,089	86,000	131,803
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		231,027	119,000	170,475
Goods and Services Tax Collected from Customers		33,693	0	11,698
Other		1,471,201	1,117,000	1,155,925
Total Receipts from Operating Activities		65,451,197	62,579,000	61,613,981
Payments				
Employee		2,821,031	2,886,000	2,851,853
Superannuation		398,569	421,000	393,176
Supplies and Services		1,333,027	1,340,000	1,103,420
Purchased Services		809,606	892,000	710,380
Borrowing Costs		1,094	2,000	1,709
Other		69	0	360
Taxation and Levies Revenue Transferred to Government		58,964,187	56,643,000	55,645,080
Goods and Services Tax Remitted to the Australian Taxation Office		16,750	0	13,019
Goods and Services Tax Paid to Suppliers		218,630	119,000	178,034
Total Payments from Operating Activities		64,562,963	62,303,000	60,897,031
Net Cash Inflows from Operating Activities	33	888,234	276,000	716,950
Cash Flows from Investing Activities				
Payments				
Purchase of Plant and Equipment		0	10,000	0
Purchase of Intangibles		21,593	0	58,300
Total Payments from Investing Activities		21,593	10,000	58,300
Net Cash (Outflows) from Investing Activities		(21,593)	(10,000)	(58,300)

ACT Gambling and Racing Commission
Cash Flow Statement - Continued
For the Year Ended 30 June 2015

	Note No.	Actual 2015 \$	Original Budget 2015 \$	Actual 2014 \$
Cash Flows from Financing Activities				
Receipts				
Capital Injections from Government		127,000	127,000	0
Total Receipts from Financing Activities		127,000	127,000	0
Payments				
Repayment of Finance Lease Liabilities		5,083	7,000	5,704
Total Payments from Financing Activities		5,083	7,000	5,704
Net Cash Inflows/(Outflows) from Financing Activities		121,917	120,000	(5,704)
Net Increase in Cash and Cash Equivalents		988,558	386,000	652,946
Cash and Cash Equivalents at the Beginning of the Reporting Period		3,897,962	3,450,000	3,245,016
Cash and Cash Equivalents at the End of the Reporting Period	33	4,886,520	3,836,000	3,897,962

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 2015**

	Original Budget 2015 \$	Total Appropriated 2015 \$	Appropriation Drawn 2015 \$	Appropriation Drawn 2014 \$
Government Payment for				
Outputs	4,614,000	4,614,000	4,614,000	4,499,000
Capital Injection	127,000	127,000	127,000	0
Total Appropriation	4,741,000	4,741,000	4,741,000	4,499,000

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 2015

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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

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 for the ACT Government.

Note 2. Summary of 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 year;
- ii. a Balance Sheet at the end of the year;
- iii. a Statement of Changes in Equity for the year;
- iv. a Cash Flow Statement for the year;
- v. a Statement of Appropriation for the year;
- vi. an Operating Statement for each class of output for the year;
- vii. a summary of the significant accounting policies adopted for the year; and
- viii. such other statements as are necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.

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 2015

Note 2. Summary of 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 2015 together with the financial position of the Commission as at 30 June 2015.

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 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. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured. 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 normally 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 or when the fee is incurred. 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 2015

Note 2. Summary of 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 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 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.

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 2. Summary of Significant Accounting Policies – Continued

i) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand.

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

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.

Other trade receivables arise outside the normal course of providing services to other agencies and to the public. Other trade receivables are payable within 30 days after the issue of an invoice or the services have been provided under a contractual arrangement.

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 the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses 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.

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 2. Summary of Significant Accounting Policies – Continued

k) Acquisition and Recognition of Plant and Equipment

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

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

The Commission capitalises all plant and equipment with a minimum value of \$5,000.

l) Measurement of Plant and Equipment After Initial Recognition

Plant and equipment is measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

n) Depreciation and Amortisation of Non-Current Assets

Non-current assets with a limited useful life are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is re-valued it is depreciated over its newly assessed remaining useful life. 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.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 2. Summary of Significant Accounting Policies – Continued

n) Depreciation and Amortisation of Non-Current Assets - Continued

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
Plant and Equipment under a Finance Lease	Straight Line	Length of lease (Four 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 a financial liability and 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.

Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relating to the normal operations of the Commission.

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

p) Leases

The Commission entered into finance leases for motor vehicles up until the end of April 2015. As part of a Whole of Government change to passenger and light commercial vehicle operations, these motor vehicles were transferred to operating leases.

Finance Leases

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

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 2015

Note 2. Summary of 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 of which 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*). Accordingly, gross amounts for the loss on the derecognition of the leased vehicles and the gain on the derecognition of the finance lease liability have been reported separately rather than on a net basis, in these financial statements.

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 2014-15, the rate used to estimate the present value of future payments is 101.0% (100.9% in 2013-14).

In 2014-15, the rate used to estimate the present value of future payments for long service leave is 104.2% (103.5% in 2013-14).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 2. Summary of 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.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 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. Further information about this estimate is provided in Note 2(v) *Significant Accounting Judgements and Estimates*.

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 Comsuper by the Commission. The CSS and PSS are defined benefit superannuation plans which mean that the defined benefits received by employees are based on the employee's years of service and average final salary.

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

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 2. Summary of Significant Accounting Policies – Continued

r) Superannuation - Continued

The total Territory superannuation liability for the CSS, PSS, and ComSuper is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the 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.

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 the 2014-15 original budget and the 30 June 2015 actual result are discussed in Note 36 *Budgetary Reporting*.

The definition of 'major variances' is provided in Note 2(v) *Significant Accounting Judgements and Estimates – Budgetary Reporting*.

Original budget refers to the original budgeted financial statements presented to the Legislative Assembly in a form that is consistent with the Commission's annual financial statements. The 2014-15 budget numbers have not been audited.

Budgetary reporting is disclosed for the financial statements, with the exception of Statement of Changes in Equity, as relevant line items are included in other financial statements.

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. Further information on this estimate is provided in Note 2(q) - *Employee Benefits*.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 2. Summary of Significant Accounting Policies – Continued

v) Significant Accounting Judgements and Estimates - Continued

- (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:* Significant judgements have been applied in determining what variances are considered 'major variances' requiring explanations in Note 36 *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*.

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

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. New and revised accounting standards and interpretations have been assessed for potential impact on the Commission. Based on the information available it is estimated that the effect of adopting the pronouncements, when and where applicable, will have no material financial impact on the Commission in future reporting periods.

Note 3. Change in Accounting Policy

Change in Accounting Policy

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

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.

	2015	2014
	\$	\$
Revenue from the ACT Government		
Government Payment for Outputs	4,614,000	4,499,000
Total Government Payment for Outputs	4,614,000	4,499,000

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	33,074,134	33,685,191
Interstate Lotteries ²	14,848,521	15,168,533
Casino ³	1,837,266	1,897,688
ACTTAB ⁴	671,521	1,694,061
Keno and Trackside Levy ⁵	70,337	0
Sports Bookmaking	6,013	8,416
Total Taxation Collected on Behalf of the Territory	50,507,792	52,453,889

1. The decrease in Gaming Machine Taxation is due to lower gambling activity in 2014-15.
2. The decrease in Interstate Lotteries is due to lower ticket sales in 2014-15.
3. The decrease in Casino Taxation is due to lower gambling activity in 2014-15.
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 percent. 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*.
5. The increase in the Keno and Trackside Levy is due to changes in how this revenue is recognised. In prior reporting periods and up until the sale of ACTTAB, revenue from Keno and Trackside operations paid by ACTTAB was included in the ACTTAB revenue line item. As part of the sale of ACTTAB to Tabcorp ACT Ltd a new agreement was entered into with Tabcorp ACT Ltd for the payment of the Keno and Trackside Levy. In line with these changes Keno and Trackside are now recognised separately.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 6. Regulatory Fees

	2015	2014
	\$	\$

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 ¹	249,447	293,758
Lotteries	1,941,848	1,949,332
Casino ²	4,987,746	873,374
Totalisator ³	1,000,000	0
Sports Bookmaking	39,027	26,578
Racing	4,393	1,812
Total Regulatory Fees	8,222,461	3,144,854

- The decrease in Gaming Machine Fees is mainly due to the commencement of red tape reduction measures introduced in November 2014. These measures removed the legislative requirement for gaming machine venue staff who accessed the internal working of gaming machines to hold an approved certificate issued by the Commission. As a result, the associated fees paid for these certificates are no longer collected.
- The increase 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*. This change was notified in January 2015 as part of the sale process of the Casino and will not require further payment until 7 February 2020.
- The increase in the Totalisator Fee is due to a new Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014*. The new fee was notified in October 2014 as part of the sale of ACTTAB to Tabcorp ACT Ltd.

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 ¹	137,089	124,864
Total Interest Revenue from Non-ACT Government Entities	137,089	124,864

- The increase in Interest in 2014-15 is due to higher bank balances as a result of positive cash flows generated from operating activities.

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	76,746	31,209
Total Resources Received Free of Charge	76,746	31,209

- The increase in Resources Received Free of Charge in 2014-15 is due to increased engagement of ACT Government Solicitors Office services during the reporting period. This increase is mainly due to services provided to the Commission related to making a recommendation to the Minister on 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 2015

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 as well as a voluntary contribution from Casino Canberra and Tabcorp ACT Ltd.

Revenue from ACT Government Entities	2015	2014
	\$	\$
Problem Gambling Assistance Fund ¹	12,952	45,455
Total Other Revenue from ACT Government Entities	12,952	45,455
Revenue from Non-ACT Government Entities		
Race Field Information Charge Fee ²	0	9,975
Problem Gambling Assistance Fund ³	1,335,256	1,070,302
Total Other Revenue from Non-ACT Government Entities	1,335,256	1,080,277
Total Other Revenue	1,348,208	1,125,732

- The reduction in the contribution from ACT Government Entities to the Problem Gambling Assistance Fund is due to the sale of ACTTAB to Tabcorp ACT Ltd in October 2014. Tabcorp ACT Ltd contributions are now reflected in Revenue from Non-ACT Government Entities.
- No Race Field Information Charge was earned in 2015 as the Commission ceased to administer the scheme during the previous reporting period.
- The increase in revenue from Non-ACT Government Entities to the Problem Gambling Assistance Fund is mainly due to:
 - recovery of unspent funds from Mission Australia for the provision of problem gambling support services in 2013-14;
 - New South Wales Government's contribution for the joint funding of the *Client Cohort Longitudinal Study – Pathways into Problem Gambling Treatment and Journeys Beyond* research project; and
 - contributions from Tabcorp ACT Ltd now reflected in Revenue from Non-ACT Government Entities following the sale of ACTTAB to Tabcorp ACT Ltd in October 2014.

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.

Restructure Fund Receipts ¹	0	118,263
Unclaimed Prize Money ²	7,000	26,059
Derecognition of Motor Vehicles under a Finance Lease ³	16,093	0
Total Other Gains	23,093	144,322

- The decrease in gains from Restructure Fund Receipts in 2014-15 is due to a staff member taking a voluntary redundancy following a minor restructure during the previous reporting period.
- The decrease in gains from unclaimed prize money is due to unclaimed prize monies from Victorian lottery sales no longer being received. All Victorian lottery sales are now online where participants must be registered and can therefore be contacted in the event of receiving a prize.
- The increase in Derecognition of Motor Vehicles under a Finance lease is due to changes in Whole of Government passenger and light commercial vehicle operations. The Commission's two motor vehicles were transferred to operating leases in April 2015.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 11. Employee Expenses	2015	2014
	\$	\$
Wages and Salaries	2,535,230	2,555,093
Annual Leave Expense	225,955	204,979
Long Service Leave Expense ¹	57,997	5,531
Workers' Compensation Insurance Premium	18,788	14,979
Termination Expense ²	0	118,263
Total Employee Expenses	2,837,970	2,898,845

1. The increase in Long Service Leave Expense in 2014-15 is due to an increase in staff long service leave balances and a higher rate used to estimate the present value of long service leave payments (refer note 2(q) *Employee Benefits*).
2. The decrease in Termination Expenses in 2014-15 is due to a staff member taking a voluntary redundancy following a minor restructure during the previous reporting period that did not reoccur.

Note 12. Superannuation Expenses		
Superannuation Contributions to the Territory Banking Account	211,651	232,669
Productivity Benefit	28,881	30,744
Superannuation to External Providers	157,092	133,200
Total Superannuation Expenses	397,624	396,613

Note 13. Supplies and Services		
Rent and Related Expenses	336,034	323,673
Travel	11,821	10,552
Research Expenses ¹	314,754	118,687
General Administration Costs	108,586	101,409
Audit Fees	44,763	39,866
Personnel Services	74,386	71,609
ICT Support Services	190,079	177,638
Legal Fees ²	60,461	31,209
Payments from the Problem Gambling Assistance Fund ³	336,427	202,967
Total Supplies and Services	1,477,311	1,077,610

1. The increase in Research Expenses in 2014-15 is due to research being undertaken by the Australian National University Centre for Gambling Research. The research projects include:
 - Understanding the Self Exclusion Process in the ACT; and
 - 2014 Prevalence Study – Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT.
2. The increase in Legal Fees in 2014-15 is due to increased engagement of ACT Government Solicitors Office services during the reporting period. This increase is mainly due to services provided relating to the Commission's role in making a recommendation to the Minister on the sale of Casino Canberra.
3. The increase in Payments from the Problem Gambling Assistance Fund in 2014-15 relates to projects aimed to reduce the negative impact of problem gambling. These projects in 2014-15 include:
 - Client Cohort Longitudinal Study - Pathways into Problem Gambling Treatment and Journeys Beyond research project jointly funded by the New South Wales Government;
 - Training for non-gambling specific community workers; and
 - Radio announcements for the culturally and linguistically diverse communities.

ACT Gambling and Racing Commission
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For the Year Ended 30 June 2015

Note 14. Purchased Services

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

	2015	2014
	\$	\$
Problem Gambling Support Services ¹	809,606	650,730
Total Purchased Services	809,606	650,730

1. The increase in Problem Gambling Support Services is due to the Commission entering into a new contract with Relationships Australia for the provision of problem gambling support services from 1 July 2014. This replaced the previous contract with Mission Australia.

Note 15. Depreciation and Amortisation

Depreciation

Plant and Equipment	0	865
Plant and Equipment under a Finance Lease	5,174	5,219
Total Depreciation	5,174	6,084

Amortisation

Intangible Assets	104,985	72,085
Total Amortisation	104,985	72,085

Total Depreciation and Amortisation	110,159	78,169
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Note 16. Borrowing Costs

Finance Charges on Finance Leases	1,094	1,709
Total Borrowing Costs	1,094	1,709

Note 17. Other Expenses

Unclaimed Prize Money	69	361
Expensing of Plant and Equipment	0	2,202
Loss on Derecognition of Motor Vehicles under a Finance Lease ¹	15,709	0
Total Other Expenses	15,778	2,563

1. The increase in Loss on Derecognition of Motor Vehicles under a Finance lease is due to changes in Whole of Government passenger and light commercial vehicle operations. The Commission's two motor vehicles were transferred to operating leases in April 2015.

Note 18. Waivers, Impairment Losses and Write-Offs

A waiver is the relinquishment of a legal claim to a debt over which the Commission has control. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Commission to recover the amount. The write-off of debts may occur for reasons other than waivers.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
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Note 18. Waivers, Impairment Losses and Write-Offs - Continued

The write-offs listed below occurred during the previous reporting period.

	No.	2015 \$	No.	2014 \$
Write-offs				
Irrecoverable Debt – Sports Bookmaking Tax	0	0	1	60,000
Total Write-offs	0	0	1	60,000

Note 19. 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	2015 \$	2014 \$
Audit Fees Paid or Payable to the ACT Audit Office	40,863	39,866
Total Audit Fees	40,863	39,866

Note 20. 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 3.21% (2013-14 3.49%).

Cash at Bank	4,886,306	3,897,641
Cash on Hand	214	321
Total Cash and Cash Equivalents	4,886,520	3,897,962

Note 21. Receivables

Gaming Machine Taxation	2,778,116	2,886,510
Interstate Lotteries Duty	1,016,686	1,111,265
Casino Taxation	167,628	147,126
ACTTAB Licence Fee ¹	0	151,508
Keno and Trackside Levy ²	8,350	0
Sub-Total (Gambling Taxes Accrued)	3,970,780	4,296,409
Problem Gambling Assistance Fund Levy	93,902	91,632
Other Trade Receivables ³	0	118,263
Net GST Receivable	(5,588)	23,752
Sub-Total (Other Receivables)	88,314	233,647
Total Receivables	4,059,094	4,530,056

1. The decrease in ACTTAB Licence Fee in 2014-15 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 totalisator tax rate for Tabcorp ACT Ltd be set at zero percent (refer note 5 *Taxation and Levies Collected on Behalf of the Territory*).
2. The increase in the Keno and Trackside Levy is due to changes in how this revenue is recognised. In prior reporting periods and up until the sale of ACTTAB, revenue from Keno and Trackside operations paid by ACTTAB was included in the ACTTAB revenue line item. As part of the sale of ACTTAB to Tabcorp ACT Ltd a new agreement was entered into with Tabcorp ACT Ltd for the payment of the Keno and Trackside Levy. In line with these changes Keno and Trackside are now recognised separately.
3. The decrease in Other Trade Receivables for 2014-15 is due to reimbursement from the Restructure Fund due in the previous reporting period being received in 2014-15.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 21. Receivables - Continued

Ageing of Receivables

	Not Overdue \$	Over Due			Total \$
		Less than 30 Days \$	30 to 60 days \$	Greater than 60 Days \$	
2015					
Not Impaired¹					
Receivables	4,059,094	0	0	0	4,059,094
Impaired					
Receivables	0	0	0	0	0
2014					
Not Impaired¹					
Receivables	4,530,056	0	0	0	4,530,056
Impaired					
Receivables	0	0	0	0	0

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

	2015 \$	2014 \$
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	0	60,000
Additional Allowance Recognised	0	0
Reduction in Allowance from Amounts Recovered	0	0
Reduction in Allowance from Amounts Written-off	0	(60,000)
Allowance for Impairment Losses at the End of the Reporting Period	0	0

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Gambling Taxes Accrued	0	151,508
Other Trade Receivables	0	118,263
Total Receivables with ACT Government Entities	0	269,771

Receivables with Non-ACT Government Entities

Gambling Taxes Accrued	3,970,780	4,144,901
Problem Gambling Assistance Fund Levy	93,902	91,632
Net GST Receivable	(5,588)	23,752
Total Receivables with Non-ACT Government Entities	4,059,094	4,260,285

Total Receivables	4,059,094	4,530,056
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 22. Plant and Equipment

Plant and equipment includes motor vehicles under finance lease.

Plant and Equipment under a Finance Lease	2015	2014
	\$	\$
Plant and Equipment under a Finance Lease at Fair Value	20,883	21,400
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	(5,174)	(517)
Less: Derecognition of Motor Vehicles under a Finance Lease ¹	(15,709)	
Total Written Down Value of Plant and Equipment under a Finance Lease	0	20,883
Total Written Down Value of Plant and Equipment	0	20,883

1. The decrease in Plant and Equipment under finance lease is due to a Whole of Government transition from finance lease arrangements to Operating Lease under the Commonwealth Fleet Service Contract. This change became effective in April 2015.

Valuation of Non-Current Assets

The Commission obtained expert independent valuations on all of the Commission's non-current assets. The latest valuations were performed as at 6 June 2014.

Reconciliation of Plant and Equipment

The following table shows the movement of Plant and Equipment during 2014-15 and 2013-14.

2014-15	Plant and Equipment	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	20,883	20,833
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
2013-14	Plant and Equipment	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	27,825	27,825
Revaluation Increment	1,344	1,344
Write-Off	(2,202)	(2,202)
Depreciation	(6,084)	(6,084)
Carrying Amount at the End of the Reporting Period	20,883	20,883

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 23. Intangible Assets

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

	2015	2014
	\$	\$
Computer Software		
<i>Externally Purchased Software</i>		
Computer Software at Cost ¹	518,109	496,516
Less: Accumulated Amortisation	(312,820)	(207,835)
<i>Total Externally Purchased Software</i>	<u>205,289</u>	<u>288,681</u>
Total Intangible Assets	<u>205,289</u>	<u>288,681</u>

1. The increase in Computer Software in 2014-15 relates to enhancements made to the Gaming Machine Database in the reporting period.

Reconciliation of Intangible Assets

The following table shows the movement of Intangible Assets 2014-15 and 2013-14.

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>
2013-14	Externally Purchased Software \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	227,085	227,085
Additions	133,681	133,681
Amortisation	(72,085)	(72,085)
Carrying Amount at the End of the Reporting Period	<u>288,681</u>	<u>288,681</u>

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

	2015	2014
	\$	\$
Note 24. Payables		
Trade Payables	17,816	9,266
Accrued Expenses ¹	109,472	39,996
Total Payables	127,288	49,262

Ageing of Payables

Payables are aged as follows:

Not overdue	127,288	49,262
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	127,288	49,262

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Trade Payables	3,057	2,705
Accrued Expenses	106,675	39,866
Total Payables with ACT Government Entities	109,732	42,571

Payables with Non-ACT Government Entities

Trade Payables	14,759	6,561
Accrued Expenses	2,797	130
Total Payables with Non-ACT Government Entities	17,556	6,691

Total Payables	127,288	49,262
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1. The increase in Accrued Expenses is due to invoices relating to shared tenancy and telephone expenses for 2014-15 not being received prior to the end of the reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 25. Finance Leases

The Commission held two finance leases each of which had been taken up as a finance lease liability and an asset under a finance lease. These leases were for motor vehicles. The interest rates implicit in those leases were 7.58% and 6.52% with both leases on a four year term. As part of a Whole of Government change to passenger and light commercial vehicle operations, these motor vehicles were transferred to operating leases in April 2015.

Current Finance Leases	2015	2014
	\$	\$
Secured		
Finance Leases	0	6,120
Total Current Secured Finance Leases	0	6,120
Non-Current Finance Leases		
Secured		
Finance Leases	0	15,056
Total Non-Current Secured Finance Leases	0	15,056
Total Finance Leases	0	21,176

Secured Finance Leases

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

Finance Leases

Finance lease commitments are payable as follows:

Within one year	0	7,413
Later than one year but not later than five years	0	15,342
Later than five years	0	0
Minimum Lease Payments	0	22,755
<i>Less: Future Finance Lease Charges</i>	0	(1,579)
Amount Recognised as a Liability	0	21,176
Total Present Value of Minimum Lease Payments	0	21,176

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

Within one year	0	6,120
Later than one year but not later than five years	0	15,056
Later than five years	0	0
Total Present Value of Minimum Lease Payments	0	21,176

Classification on the Balance Sheet

Finance Leases

Current Finance Leases	0	6,120
Non-Current Finance Leases	0	15,056
Total Finance Leases	0	21,176

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 26. Employee Benefits	2015	2014
	\$	\$
Current Employee Benefits		
Annual Leave	295,679	292,499
Long Service Leave	528,041	425,647
Accrued Wages and Salaries ¹	113,472	158,655
Total Current Employee Entitlements	937,192	876,801
Non-Current Employee Benefits		
Long Service Leave	68,788	113,185
Total Non-Current Employee Entitlements	68,788	113,185
Total Employee Benefits	1,005,980	989,986
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	235,497	237,255
Accrued Wages and Salaries	113,472	158,655
Total Employee Benefits Payable within 12 Months	348,969	395,910
Estimated Amount Payable after 12 Months		
Long Service Leave	596,829	538,832
Annual Leave	60,182	55,244
Total Employee Benefits Payable after 12 Months	657,011	594,076
Total Employee Benefits	1,005,980	989,986

As at 30 June 2015, the ACT Gambling and Racing Commission employed 31.4 full-time equivalent staff. There were 30.6 FTE staff as at 30 June 2014.

1. The decrease in Accrued Wages and Salaries is mainly due to the payment of back pay relating to the 2013-17 Enterprise Agreement that was unpaid at the end of the previous reporting period and did not re-occur.

Note 27. Other Liabilities

Current Other Liabilities

Revenue Received in Advance		
Casino Licence Fee ¹	0	64,053
Sports Bookmakers Annual Licence Fee ²	0	27,642
Other – Security Deposits (Interactive Gambling)	35,280	35,280
Total Current Other Liabilities	35,280	126,975

1. The decrease is due to the Casino Licence Fee now being recognised as revenue at the time of payment rather than revenue received in advance.
2. The decrease in the Sports Bookmaking Licence Fee is due to one bookmaker ceasing operations during the reporting period and the other sports bookmaking licensee not paying the annual licence fee prior to when it is due.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 28. Equity

Asset Revaluation Surplus

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

	2015	2014
	\$	\$
Balance at the Beginning of the Reporting Period	3,452	2,108
Increase/(Decrease) in the Asset Revaluation Surplus	0	1,344
Total Increase/(Decrease) in the Asset Revaluation Surplus	0	1,344
Balance at the End of the Reporting Period	3,452	3,452

Note 29. 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, the majority of the financial liabilities are non-interest bearing. This means the Commission is not exposed to movements in interest payable, however it is exposed to movements in interest receivable.

Interest rate risk for financial assets is managed by the Commission by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Commission as there are no financial liabilities which are exposed to a floating interest rate. 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 and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's credit risk is limited to the amount of the financial assets it holds net of any 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.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 29. Financial Instruments – Continued

Credit Risk - Continued

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

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

Liquidity Risk

Liquidity risk is the risk that the Commission will encounter difficulties in meeting obligations associated with financial liabilities 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:

	Carrying Amount 2015 \$	Fair Value 2015 \$	Carrying Amount 2014 \$	Fair Value 2014 \$
Financial Assets				
Cash and Cash Equivalents	4,886,520	4,886,520	3,897,962	3,897,962
Receivables	0	0	118,263	118,263
Total Financial Assets	4,886,520	4,886,520	4,016,225	4,016,225
Financial Liabilities				
Payables	127,288	127,288	49,262	49,262
Finance Leases	0	0	21,176	21,176
Total Financial Liabilities	127,288	127,288	70,438	70,438

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 2015

Note 29. 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:					Non-Interest Bearing	Total
			Floating Interest Rate	Over 1 Year		Over 5 Years			
				1 Year or Less	5 Years				
Financial Instruments			\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and Cash Equivalents	20	3.21%	4,886,306	0	0	0	214	4,886,520	
Receivables	21		0	0	0	0	0	0	
Total Financial Assets			4,886,306	0	0	0	214	4,886,520	
Financial Liabilities									
Payables	24		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 2015

Note 29. 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 2014. 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	20	3.49%	3,897,641	0	0	0	321	3,897,962
Receivables	21		0	0	0	0	118,263	118,263
Total Financial Assets			3,897,641	0	0	0	118,584	4,016,225
Financial Liabilities								
Payables	24		0	0	0	0	49,262	49,262
Finance Leases	25	7.05%	0	7,413	15,342	0	0	22,755
Total Financial Liabilities			0	7,413	15,342	0	49,262	72,017
Net Financial Assets/(Liabilities)			3,897,641	(7,413)	(15,342)	0	69,322	3,944,208

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 29. Financial Instruments – Continued

Carrying Amount of Each Category of Financial Asset and Financial Liability	2015 \$	2014 \$
Financial Assets		
Loans and Receivables Measured at Amortised Cost	0	118,263
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	127,288	70,438

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 30. 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 2014-15 were:

Mr J Haskins	Chair
Ms A Tay	Deputy Chair
Ms R Vassarotti	Member (appointment commenced 28 November 2014)
Mr P Baxter	Member (appointment commenced 16 June 2015)
Dr M Doverty	Member (appointment concluded 11 September 2014)
Mr G Jones	Chief Executive Officer

Members (other than the Chief Executive Officer) are entitled to remuneration and allowances in accordance with Determination No.9 of November 2013 and Determination No.11 of November 2014 made by the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Governing Board was \$97,012 (2013-14 \$124,430).

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 31. 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:

	2015	2014
	\$	\$
Within one Year	828,327	809,606
Later than one year but no later than five years	824,404	1,652,731
Later than five years	0	0
Total Other Commitments¹	1,652,731	2,462,337

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

Operating Lease Commitments

At 30 June 2015, the Commission's operating lease commitments consist of two motor vehicles under operating lease and information and communication technology asset rentals from Shared Services ICT and are payable as follows:

Within one Year	23,207	16,377
Later than one year but no later than five years	16,165	27,418
Later than five years	0	0
Total Operating Lease Commitments	39,372	43,795

Note 32. 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 \$2,344,412 (2013-14 \$2,337,481).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 33. 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

	2015	2014
	\$	\$
Total Cash and Cash Equivalents recorded in the Balance Sheet	4,886,520	3,897,962
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	4,886,520	3,879,962
(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus		
Operating Surplus	549,594	818,888
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	110,159	78,169
Asset Write Off	0	2,202
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Derecognition of Motor Vehicles under a Finance Lease	(384)	0
Cash Before Changes in Operating Assets and Liabilities	659,369	899,259
Changes in Operating Assets and Liabilities		
Decrease/(Increase) in Receivables	470,962	(69,862)
(Increase) in Prepayments	(10,488)	(60)
Increase/(Decrease) in Payables	78,026	(116,609)
Increase in Employee Benefits	15,994	50,430
(Decrease) in Taxation Revenue Payable	(233,934)	(46,337)
(Decrease)/Increase in Other Liabilities	(91,695)	249
Net Changes In Operating Assets and Liabilities	228,865	(182,309)
Net Cash Inflows from Operating Activities	888,234	716,950

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 34. Events Occurring After Balance Date

There were no events occurring after the balance date that would affect the financial statements as at 30 June 2015 or in future reporting periods.

Note 35. Third Party Monies

In 2013-14 the ACT Gambling and Racing Commission collected and dispersed the Race Field Information Charge in accordance with the provisions of the *Racing Act 1999*. The Race Field Information Scheme administrative functions were legislatively transferred to the Racing Club in the previous reporting period.

	2015	2014
	\$	\$
Race Field Information Charge		
Balance at the Beginning of the Reporting Period	0	138,473
Cash Receipts ¹	0	272,725
Cash Payments ¹	(0)	(411,198)
Balance at the End of the Reporting Period	0	0

The amounts shown in the Third Party Monies note are inclusive of GST.

1. The reduction in third party monies collected and paid during the reporting period is a result of the Race Field Information Scheme administrative functions being legislatively transferred to the Canberra Racing Club during the previous reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 36. 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 Line Items	Actual 2014-15 \$	Original Budget ^a 2014-15 \$	Variance \$	Variance %	Variance Explanations
Regulatory Fees	8,222,461	3,332,000	4,890,461	147	Note 1

Notes

1. Regulatory Fees were higher than budgeted mainly due to:
 - Totalisator (\$1.000 million): following a new Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014* that was not anticipated in the budget. The new fee was notified in October 2014 as part of the sale of ACTTAB to Tabcorp ACT Ltd; and
 - casino (\$4.116 million): following a new determination by the Minister for Racing and Gaming for the Casino Licence Fee made under section 26 of the *Casino Control Act 2006*. This change was notified in January 2015 as part of the sale process of the Casino and will not require further payment until 7 February 2020.

These were partly offset by lower Gaming Machine Fees following the introduction of a red tape reduction measure in November 2014. This measure removed the legislative requirement for gaming machine venue staff who accessed the internal working of gaming machines to hold an approved certificate issued by the Commission. As a result, the associated fees paid for these certificates are no longer collected.

Balance Sheet Line Items	Actual 2014-15 \$	Original Budget ^a 2014-15 \$	Variance \$	Variance %	Variance Explanations
Cash and Cash Equivalents	4,886,520	3,836,000	1,050,520	27	Note 1
Intangible Assets	205,289	169,000	36,289	21	Note 2
Employee Benefits – Non Current	68,788	185,000	(116,212)	(63)	Note 3

Notes

1. Cash and Cash Equivalents were higher mainly due to positive cash flows generated from operating activities.
2. Intangible Assets were higher mainly due to enhancements made to the Gaming Machine Database in the reporting period.
3. Non-Current Employee Benefits were lower mainly due to more Commission staff having 5 years or more service resulting in more of the Long Service Leave liability being recorded as a current liability.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2015

Note 36. Budgetary Reporting – Continued

**Statement of Changes in
Equity**

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

Cash Flow Statement Line Items	Actual 2014-15 \$	Original Budget^a 2014-15 \$	Variance \$	Variance %	Variance Explanations
Regulatory Fees	8,130,766	3,331,000	4,799,766	144	Note 1
Purchase of Intangibles ^b	21,593	0	21,593	#	Note 2

- a. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2014-15 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

- Regulatory Fees were higher than budgeted mainly due to:
 - Totalisator (\$1.000 million): following a new Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014* that was not anticipated in the budget. The new fee was notified in October 2014 as part of the sale of ACTTAB to Tabcorp ACT Ltd; and
 - casino (\$4.116 million): following a new determination by the Minister for Racing and Gaming for the Casino Licence Fee made under section 26 of the *Casino Control Act 2006*. This change was notified in January 2015 as part of the sale process of the Casino and will not require further payment until 7 February 2020.

These were partly offset by lower Gaming Machine Fees following the introduction of a red tape reduction measure in November 2014. This measure removed the legislative requirement for gaming machine venue staff who accessed the internal workings of gaming machines to hold an approved certificate issued by the Commission. As a result, the associated fees paid for these certificates are no longer collected.

- Purchase of Intangibles was higher due to enhancements made to the Gaming Machine Database in the reporting period that was not anticipated in the budget.

C.3 Capital Works

The Commission had no projects included in the Capital Works Program for 2014-15.

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 occupies leased accommodation at Level 2 of the Canberra Nara Centre, Canberra City. Total occupied office floor space, including a percentage for common area is 531m². This space accommodates 34 employees which equates to 15.6m² per person.

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 20*

Table 32: 2014-15 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	\$809,606	Open tender	N/A	June 2014
ANU Centre for Gambling Research	Research into Gambling	\$594,242	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:

Manager, Coordination and Revenue
Telephone: (02) 6207 0359

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 2015 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 2011*, 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.

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 2011*, 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, 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 the 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 2015, 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.



Malcolm Prentice
Acting Director, Financial Audits
26 August 2015



ACT
Government



GAMBLING
AND
RACING
COMMISSION

ACT GAMBLING AND RACING COMMISSION
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the ACT Gambling and Racing Commission's records and fairly reflect the service performance of the ACT Gambling and Racing Commission for the year ended 30 June 2015 and also fairly reflects the judgments exercised in preparing it.

John Haskins, AM
Chairperson
ACT Gambling and Racing Commission
11 August 2015

ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2015

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 at least as efficiently as alternative service providers and to provide quality, value for money services in all aspects of the Commission's operations;
- to 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 2015

Output Class 1: Gambling Regulation and Harm

Minimisation

Output 1.1: Gambling Regulation and Harm Minimisation

	Original Target 2014-15	Actual Result 2014-15	% Variance from Target	Reasons for Material Variance
Total cost	\$5,748,000	\$5,649,542	(1.7)	-
Government payment for outputs	\$4,614,000	\$4,614,000	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	135	3.9	-
– Gaming Machines	250	253	1.2	-
– Bookmakers and Totalisator	60	67	11.7	Note 1
– 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	6	20	Note 2
<i>Undertake measures designed to reduce the negative impact of problem gambling</i>				
d Initiate or complete projects through the Problem Gambling Assistance Fund	3	3	0	-

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 2011*.

ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2015

Reason for Material Variance

1. The result reflects additional compliance monitoring following the sale of ACTTAB to Tabcorp ACT to ensure the new licensee's compliance with statutory requirements.
2. The result reflects one additional research project initiated, completed or analysed during the reporting period. This additional project was the completion of the *Foundation of the 2014 Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT*. This study investigated and established the protocols and methodologies for the conduct of the full 2014 Survey. The foundation work developed the study design which includes critical elements such as sample size, methods of recruitment and data capture.

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 the research project on *Preventive Interventions for Problem Gambling: A Public Health Perspective* which was published in February 2015;
 - completed the research project *Foundation of the 2014 Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT* which was completed in December 2014;
 - initiated a research project on *2014 Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT*;
 - analysed the research report *Impact of Structural Characteristics of Electronic Gaming Machines* published in December 2014 by Gambling Research Australia; and
 - completed the research project *The Client Cohort Longitudinal Study – development, piloting and engaging agencies for recruitment*. This was the first twelve month phase of *The Client Cohort Longitudinal Study*. This project is being conducted over 5 years in collaboration with the NSW Responsible Gambling Fund; and
 - initiated the research project *The Client Cohort Longitudinal Study – 2nd Year*. This project will re-engage service providers and continue recruitment of study participants;

ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2015

Outcomes of Accountability Indicators - Continued

- a Undertake measures designed to reduce the negative impact of problem gambling.
- The Commission has:
 - initiated upgrades to the ACT Gambling Exclusion Database to enhance users' experience and facilitate recording of gambling incidents;
 - initiated development of help-seeking messages in languages other than English broadcast on local community radio; and
 - initiated the Youth Coalition: *Young People and Gambling Project* aimed to raise awareness of risky behaviour in relation to gambling amongst young people in the ACT.

Additional performance measures included in the Commission's 2014-15 Statement of Intent.

Objective	Activity	Measured by	Original Target 2014-15	Actual Result 2014-15	% 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	2	100 ¹
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 2014-15 budget	Achieve or improve the 2014-15 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating surplus of \$549,594 exceeds the budgeted operating surplus of \$94,000	0

Reason for Variance

1. The result reflects the completion of one additional report, brief or review of gaming legislation and policies and implementation of changes during the reporting period. This additional project was implementing changes to the *Gambling and Racing Control (Code of Practice) Regulation 2002*.

ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2015

Outcomes of Performance Measures

1. Review gaming legislation and policies and implement changes.
 - The Commission has:
 - implemented changes to the *Gambling and Racing Control (Code of Practice) Regulation 2002*; and
 - implemented changes to the *Gaming Machine Act 2004* to allow the use of cashless gaming technology in the ACT.
2. Keep informed about developments in gaming and regulatory practices.
 - Commission staff attended two Australasian Casino and Gaming Regulators' Chief Executive Officers Forums during the reporting period.
3. Effectively manage Commission resources.
 - The Commission has achieved an operating surplus of \$549,594 against the 2014-15 budgeted surplus of \$94,000.

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
Manager, Compliance and Investigations
ACT Gambling and Racing Commission
Telephone: (02) 6207 0359

Members

As at 30 June 2015, 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 reporting period.

Appeals Lodged with the Tribunal

During the reporting period the Tribunal received two appeals. Details of the appeals are summarised in the following table.

Table 33: 2014-15 Summary of Appeals Lodged with the Racing Appeals Tribunal during 2014-15

Matters	Tribunal Members	Appeal	Order of the Tribunal
Mr Graham Sheather and the Canberra Greyhound Racing Club	Mr Grant Lalor (President) Mr John Kalokerinos (Deputy President) Mr Philip Drever (Member)	<p>On 2 October 2014 Mr Graham Sheather received a fine of \$1,000 handed down by Canberra Greyhound Racing Club Stewards as a result of breaching Greyhounds Australasia Rule (GAR) 86(o) relating to misconduct.</p> <p>On 3 October 2014 Mr Sheather exercised his right to appeal the decision and lodged the appropriate notice of appeal form and required bond payment of \$500.00 with the ACT Gambling and Racing Commission.</p> <p>Mr Sheather also sought a stay of the operation of the decision pending the outcome of his appeal which was granted on 3 October 2014. Mr Sheather's appeal was heard on 22 October 2014 with the President and Members ultimately being satisfied that Mr Sheather had not demonstrated any reasonable grounds as to why the appeal should stand resulting in the original penalty imposed by Stewards being upheld.</p>	The Tribunal held that the penalty of the Stewards should stand, effective from 22 October 2014. The Tribunal further ordered that the Bond of \$500 be returned to Mr Sheather and that there be no awarding of costs in the matter.
Mr Brodie Loy and the Canberra Racing Club	Mr John Kalokerinos (Deputy President) Mr Philip Drever (Member) Ms Dorothy Topfer (Member)	<p>On 22 February 2015 Mr Brodie Loy received a two week suspension handed down by Canberra Racing Club Stewards as a result of breaching Australian Rule of Racing (AR) 137(a) relating to careless riding.</p> <p>On 24 February 2015 Mr Loy exercised his right to appeal the decision and lodged the appropriate notice of appeal form and required bond payment of \$500.00 with the ACT Gambling and Racing Commission.</p> <p>Mr Loy also sought a stay of the operation of the decision pending the outcome of his appeal which was granted on 27 February 2015. Mr Loy's appeal was heard on 13 March 2015 with the Deputy President and Members ultimately being satisfied that Mr Loy had not demonstrated any reasonable grounds as to why the appeal should stand resulting in the original penalty imposed by Stewards being upheld.</p>	The Tribunal held that the penalty of the Stewards should stand, effective from 17 March 2015. The Tribunal further ordered that the Bond of \$500 be forfeited and that there be no awarding of costs in the matter.

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	
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

Compliance Index

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 Index indicates the subsections, under the five Parts of the Directions, that are applicable to the ACT Gambling and Racing Commission and the location of the 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 its 2014-15 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 19 - 65
- C. Financial Management Reporting, inclusive of all subsections – see pages 66 - 129

Part 3 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 2014-15 Annual Report.

- *Gambling and Racing Control Act 1999*, section 31 – see page 26,32,33,36 & 38
 - The Commission must include in its annual report a statistical summary of complaints lodged under this section and the results of any investigations resulting from them.
- *Gaming Machine Act 2004*, section 163C – see page 43 - 49
 - The Commission must include the following information in relation to the problem gambling assistance fund:
 - a) the amounts that were paid into the fund during the year;
 - b) who paid the amounts;
 - c) the amounts that were paid out of the fund during the year;
 - d) who the amounts were paid to; and
 - e) the purpose for which the amounts were paid.

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 2014-15 annual report of Chief Minister, Treasury and Economic Development Directorate;
- N. Justice and Community Safety, including all subsections R.1 – R.4, see the 2014-15 annual report of the Justice and Community Safety Directorate;
- O. Public Sector Standards and Workforce Profile, including all subsections S.1 – S.3 – see the 2014-15 State of the Service Report produced by the Commissioner for Public Administration; and
- P. Territory Records, see the 2014-15 annual report of the Chief Minister, Treasury and Economic Development Directorate.

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

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

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