



ACT
Government



GAMBLING
AND
RACING
COMMISSION

GAMBLING AND RACING COMMISSION



ANNUAL REPORT
2012–2013



ACT GAMBLING AND RACING COMMISSION


ANNUAL REPORT 2012-2013

ISBN 978-0-642-60606-8

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Produced by Publishing Services for the ACT Gambling and Racing Commission

Enquiries about this publication should be directed to the *ACT Gambling and Racing Commission*,
 (02) 6207 0359.

Printed on recycled paper

Publication No 13/0914

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

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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 2013.

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

We hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Commission during the period 1 July 2012 to 30 June 2013 has been included and that it complies with the Chief Minister's Annual Report Directions.

We further certify that fraud prevention has been managed in accordance with Public Sector Management Standard, 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 3 months of the end of the financial year.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Haskins".

John Haskins, AM
Chairperson
9 September 2013

A handwritten signature in black ink, appearing to read "Greg Jones".

Greg Jones
Chief Executive Officer
9 September 2013

CONTACT DETAILS

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

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SECTION A: PERFORMANCE AND FINANCIAL MANAGEMENT REPORTING

A.1 THE ORGANISATION

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

A.1.1 MEMBERSHIP OF THE COMMISSION

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

The membership at 30 June 2013 was:

Chairperson: Mr John Haskins, AM

Members: Mr Mark Rolfe (Deputy Chairperson)

Dr Mark Doverty

Ms Alice Tay

Chief Executive: Mr Greg Jones

A.1.2 FUNCTIONS AND POWERS OF THE COMMISSION

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

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

- a) to administer the gaming laws;
- b) to control, supervise and regulate gaming in the 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; and
 - ii. activities of people in relation to gaming and racing, for the purpose of exercising functions under a gaming law; and
- i) collecting taxes, fees and charges imposed or authorised by or under gaming laws.

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

Sections 6(4) and (5) provide that any directions or guidelines given by the Minister are disallowable instruments and are to be published in the Commission's annual report. There were no Ministerial Directions issued to the Commission during 2012-2013.

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;
- b) minimises the possibility of the criminal or unethical activity; and
- c) reduces the risks and costs, to the community and individuals concerned, of problem gambling.

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

A.1.3 VISION VALUES AND OBJECTIVES OF THE COMMISSION

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

The Commission's values are:

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

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

- to minimise the possibility of criminal or unethical activity in order to satisfy key stakeholders' expectations in relation to the regulation and oversight of gaming and wagering operations in the Territory;

- to minimise the negative impact caused by problem gambling;
- to keep informed about developments in gaming and wagering activities and regulatory practices, including emerging technologies;
- to keep informed about developments in gambling harm minimisation strategies and research conducted into problem gambling;
- to ensure that members of the community are provided with information to enable them to make informed decisions about their gambling; and
- to ensure that resources are efficiently and effectively allocated to achieve its objectives including the development of staff.

A.1.4 KEY STAKEHOLDERS OF THE COMMISSION

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

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

A.2 OVERVIEW

The Commission has achieved all of its objectives for 2012-13 as outlined in its Statement of Performance (see section A.7 of this report). It also achieved its financial targets for 2012-13 and has received an unqualified audit opinion from the Auditor General.

Comprehensive information regarding the Commission's financial results is provided in its Financial Report at section A.6 of this report. In summary, the Commission achieved an operating surplus of \$988,567 which was \$697,567 better than budget.

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

The Commission continues to play an active role in educating gambling licensees and the community about problem gambling issues and responsibilities. The Problem Gambling Assistance Fund has continued to greatly assist the Commission with its endeavours in this area.

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

A.3 HIGHLIGHTS

Amendments to the *Gaming Machine Act 2004* commenced in September 2012 that provided for a gaming machine reallocation scheme, a target for the maximum number of gaming machines in the Territory of 4,000 and maximum cash withdrawals from ATMs of \$250. In particular, the reallocation scheme provides for group clubs to move gaming machines between their venues. A number of club groups have taken full advantage of the legislative amendments, with the total movement of 148 machines under this scheme during the financial year.

The Commission assisted the Economic Development Directorate in the development of legislative proposals including red tape reduction in the area of gambling regulation.

Administration of the Problem Gambling Assistance Fund, which commenced on 1 July 2011, continued during the reporting period. Allocations from the Fund are used to assist alleviate the disadvantages that arise from problem gambling or to inform about problem gambling. Gaming machine licensees are required to pay 0.6 per cent of gross gaming profit to the Fund and ACTTAB and Casino Canberra have each agreed to contribute \$50,000 per annum for their inclusion in the outcomes of the Fund. Total contributions to the Fund for 2012-13 was \$1,153,758.

During the reporting period expenditure from the Fund continued to Mission Australia to provide gambling support services under contract to the Commission. The support services include the provision of gambling and financial counselling, linkages to other counselling or support services, promoting or encouraging the use of the service with a focus on early intervention, informing consumers about minimising the harm caused by excessive gambling and self-help techniques to assist people control their gambling activity.

Other allocations from the Fund approved by the Commission following consultation with the established advisory body included the ongoing participation in the national on-line problem gambling counselling services, problem gambling awareness training for community sector groups, research on prevention approaches for problem gambling, upgrading of the Commission's problem gambling website, development of an electronic database to assist problem gamblers to self-exclude from gaming venues and high quality signage within venues advising of the availability of the gambling support services.

Negotiations between the Federal Government and the ACT club industry on the proposed trial of pre-commitment technology were placed on hold by the industry pending the conduct of the 2013 Federal election.

The Federal Government's *Gambling Reform Act 2012* was passed in December 2012 and will have a significant future impact on ACT gaming machine licensees. The introduction of pre-commitment technology for gaming machines and restrictions on ATM withdrawals at gaming venues will have implications for licensees as well as the Commission as ACT regulator.

Following the voluntary liquidation of ACT licensed sports bookmaker, *Sports Alive Pty Ltd*, in August 2011 the Commission has been striving to protect patron funds and to ensure that the directors of Sports Alive are held accountable for their actions. A Supreme Court case in Victoria determined that the remaining term deposits were not trust funds for distribution to patron betting accounts but were general funds for distribution for other purposes including Liquidator fees and creditors. The ACT Ombudsman investigated the Commission's role in regulating Sports Alive and concluded that all reasonable steps were taken in the circumstances.

The Commission continued to implement the recommendations from the ACT Auditor-General's April 2012 Assembly report titled *Monitoring and Minimising Harm Caused by Problem Gambling in the ACT*.

In relation to racing and wagering, amendments to the *Racing Act 1999* that commenced on 1 March 2013 transferred the responsibilities of the race fields information scheme to the ACT race clubs. However, the Commission continued to collect the race fields information charges on behalf of the three ACT racing codes to the end of the financial year. These amounts (less a small administration charge) are forwarded to the relevant racing clubs.

The Australian National University's (ANU) Centre for Gambling Research under an agreement with the Commission continues to produce high quality research. One research project was completed during the reporting period that investigated the beliefs and knowledge held by high intensity gaming machine players which assists our understanding of why people don't self identify as having gambling issues and where they self identify why they do not seek help. Two further research projects covering problem gambling stigma and gambling expenditure were commenced during the reporting period.

This ACT specific research program has been complemented by the Government's continued commitment and financial contribution through the Gambling and Racing Commission to Gambling Research Australia where a number of national studies have been completed and others commenced during the period.

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

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

A.4 OUTLOOK

The proposed trial of pre-commitment technology for gaming machines could be a significant focus during 2013-2014 if it is agreed by the Federal Government and local club industry to proceed. The Federal Government's *Gambling Reform Act 2012*, including the commencement of the ATM restrictions in February 2014, is likely to have an increasing impact on the Commission's workload. Communication with other jurisdictions and Federal officials will continue as will advice to Government on the technical aspects and implications for the ACT.

The Commission will implement any further legislative changes to the *Gaming Machine Act 2004* initiated by Government, including the conduct of information seminars for licensees to ensure that all aspects of any changes are understood and correctly applied. In addition, the Commission will assist with the development and implementation of red tape reduction proposals to assist licensees and the Commission in their regulatory tasks.

The Commission will continue to work closely with Mission Australia in ensuring that their role in providing problem gambling support services is delivered successfully and in accordance with their contractual requirements. As the existing three year contract expires on 30 June 2014, the Commission will consider whether to undertake a public tender process in relation to the provision of this service beyond the 2013-14 financial year or whether it will offer Mission Australia the option provided under the contract to extend the provision of its services.

Additional projects under the Problem Gambling Assistance Fund will be developed in consultation with the Fund Advisory Committee. The Commission will continue to ensure that allocations made from the Fund are in accordance with the requirements of the legislation and are appropriately monitored for efficiency and effectiveness. In particular, finalisation of the development of the electronic exclusion database will be undertaken followed by the implementation and training phase with industry users. The new database will greatly assist persons to easily and quickly exclude themselves from gaming venues as part of managing their gambling expenditure.

In relation to racing and wagering, the Commission will assist where appropriate with the implementation of the accepted recommendations from the Independent Competition and Regulatory Commission report into the racing industry.

The development of further targeted research projects with the Australian National University's (ANU) Centre for Gambling Research will continue. The research projects on stigma and gambling expenditure that commenced in 2012-13 will be finalised along with new projects being commenced. The results of the research will be provided to Mission Australia as the problem gambling support service provider to ensure that their knowledge and techniques are as up to date as possible and that their programs are tailored to meet the needs of the ACT community.

Work will continue on the implementation of the longer-term recommendations of the Auditor-General's report into *Monitoring and Minimising Harm Caused by Problem Gambling in the ACT* released in April 2012.

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

During 2013-14 the Commission will continue to give priority to maintaining its relationships with gambling regulators and law enforcement agencies both nationally and internationally to ensure that it remains at the forefront of gambling regulation and that harm arising from the conduct of gambling activities is minimised.

The Commission recognises the value in engaging with stakeholders. It will continue to actively seek objective input and advice from the ACT community groups and industry through its established Gambling Advisory Reference Group, the Problem Gambling Assistance Fund Advisory Committee and the Gambling Industry Consultative Committee on a range of issues related to problem gambling and gambling regulation.

A key business activity in achieving this will be the Commission's ongoing participation in national forums examining issues associated with gaming regulation and responsible gambling. These forums include the Chief Executive Officers Australasian Casino and Gaming Regulators' Working Group; National Probity Working Party; Gaming Machine National Standard Working Party; National Assessment Panel for the Accreditation of Testing Facilities; the Gambling Research Australia Working Party and the Select Council on Gambling Reform Officials' Group.

A.5 MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL OVERVIEW

Objectives

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

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

Gambling revenue incorporates the following categories:

- gaming machine taxes, 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;
- race bookmakers licence fees; and
- sports bookmakers turnover tax and licence fees.

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

Risk Management

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

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

FINANCIAL PERFORMANCE

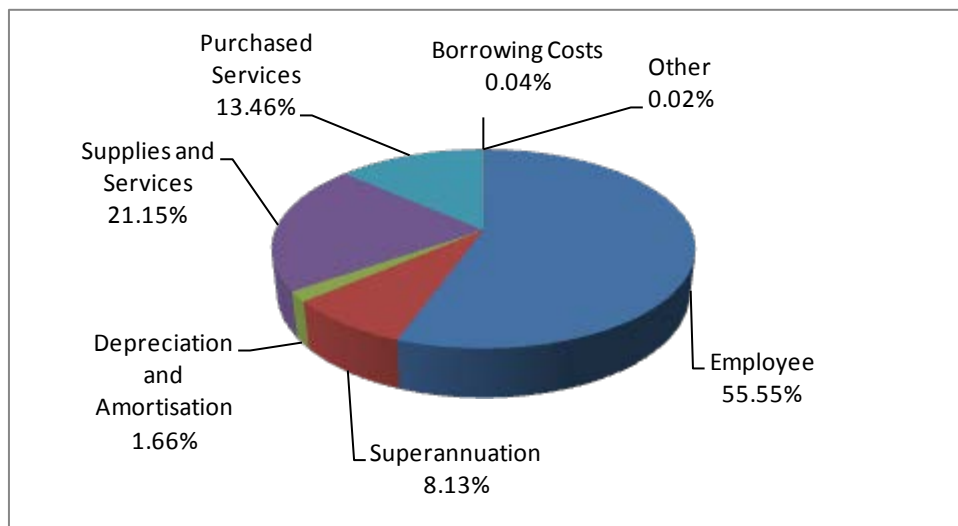
The following financial information is based on audited Financial Statements for 2011-12 and 2012-13 and the forward estimates contained in the 2012-2013 Budget Paper Number 4.

TOTAL EXPENDITURE

1. Components of Expenditure

Figure 1 indicates the components of the Commission's expenditure for 2012-13 not including taxation revenue transferred to Government. As the Commission's core business activities are gambling regulation and the collection of revenue from gambling providers, the main expenditure items during the year were typically employee and supplies and services expenses. The largest component of expenditure is employee expenses which represents **55.6 per cent** of ordinary activities or **\$2.686 million**.

Figure 1 - Components of Expenditure in 2012-13



2. Comparison to Budget

Expenditure

Total expenditure not including taxation revenue transferred to Government of **\$4.836 million** was **\$0.745 million**, or **13.3 per cent**, lower than the 2012-13 budget of **\$5.581 million**. This decrease was mainly due to:

- employee expenses (**\$0.201 million**) due to the time-lag in employing staff after resignations and several staff utilising part-time employment; and
- supplies and services (**\$0.539 million**) due to lower expenditure from the Problem Gambling Assistance Fund while suitable projects were developed and approved.

3. Comparison to 2011-12 Actual Expenditure

Total expenditure not including taxation revenue transferred to Government was **\$0.156 million**, or **3.3 per cent**, higher than the 2011-12 actual result. A decrease in other expenses (**\$0.061 million**) was more than offset by increased: employee expenses (**\$0.163 million**), superannuation expenses (**\$0.011 million**), supplies and services (**\$0.029 million**) and depreciation and amortisation (**\$0.014 million**).

4. Future Trends

Expenditure is budgeted to increase in 2013-14 by **\$0.817 million** mainly due to increased expenditure from the Problem Gambling Assistance Fund and a return to budgeted staffing levels.

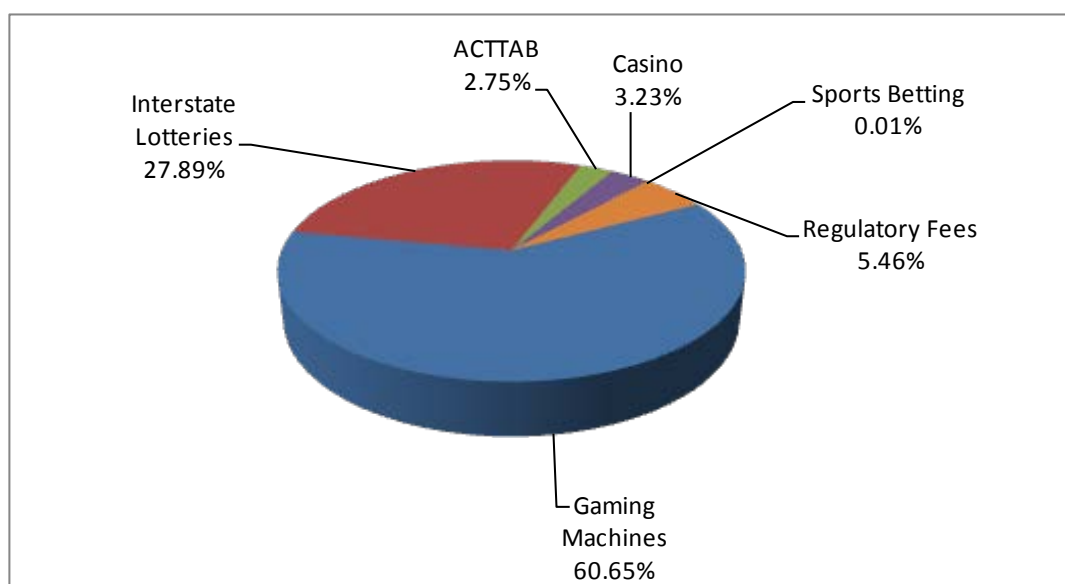
TOTAL INCOME

1. Components of Income

Although the Commission collects revenue from gambling taxes, fees and fines, all such revenue is immediately transferred to the Territory Banking Account through nightly sweeps of the Commission's Taxation Account. The revenue that the Commission uses to fund its operating activities is appropriated through Government payment for outputs, an administration fee to administer the race field information fund and interest from its bank accounts. In 2012-13 appropriation payments from Government totalled **\$4.408 million**. The Commission also receives a Problem Gambling Assistance Fund levy from gaming machine licensees as well as voluntary contributions from ACTTAB 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 2012-13 funds received for the Problem Gambling Assistance Fund totalled **\$1.154 million**.

Figure 2 below indicates that for the financial year ended 30 June 2013 the Commission received **\$34.906 million** or **60.7 per cent** of its total gambling revenue from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2012-13



2. Comparison to Budget

Revenue

For the year ending 30 June 2013 gambling revenue was **\$57.552 million** which was **\$2.808 million** higher than the 2012-13 budget of **\$54.744 million**. Increased interstate lotteries (**\$3.293 million**) due to increased activity, sports bookmaking (**\$0.003 million**) and ACTTAB licence fee (**\$0.034 million**) were partially off-set by decreases in:

- gaming machines (**\$0.019 million**);
- casino revenue (**\$0.304 million**) due to decreased activity; and
- regulatory fees (**\$0.199 million**) due to decreased activity.

Gains

Income from gains for the year ending 30 June 2013 was **\$0.125 million** or **83.3 per cent** lower than the 2012-13 budget of **\$0.150 million**. This is due to reduced unclaimed prizes as a result of Victorian lottery products no longer being directly sold in the ACT.

3. Comparison to 2011-12 Actual Income

Revenue

Gambling revenue in 2012-13 was **\$1.185 million**, or **2.1 per cent**, higher than the 2011-12 actual result. This was due to an increase in revenue from interstate lotteries (**\$2.035 million**), ACTTAB licence fee (**\$0.117 million**) and regulatory fees (**\$0.058 million**). This was partially offset by a decrease from gaming machines (**\$0.808 million**), casino revenue (**\$0.160 million**) and sports betting (**\$0.057 million**).

Gains

Income from gains was **\$0.104 million** or **80.6 per cent** lower than the 2011-12 actual result of **\$0.129 million**. This decrease was due to reduced unclaimed prizes as a result of Victorian lottery products no longer being directly sold in the ACT.

4. Future Trends

Total gambling revenue for 2013-14 is budgeted to decrease by **\$1.403 million** compared to the 2012-13 actual result due to expected decreases in Interstate Lotteries and sports betting while being partially offset by small increases in gaming machine revenue, ACTTAB licence fee, casino revenue and regulatory fees.

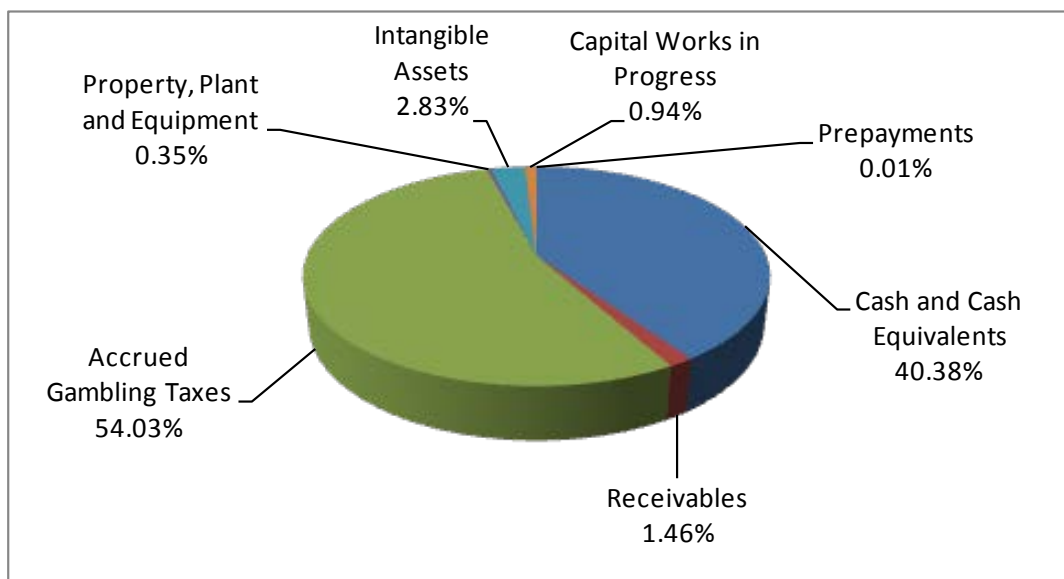
COMMISSION'S FINANCIAL POSITION

TOTAL ASSETS

1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2013 the Commission held **54 per cent** of its assets in accrued gambling taxes and **40.4 per cent** in cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2013



2. Comparison to Budget

The total asset position as at 30 June 2013 is **\$8.036 million**, **\$0.301 million** lower than the 2012-13 budget of **\$8.337 million**. The decrease is mainly due to lower cash and cash equivalents (**\$0.483 million**) offset by an increase in receivables (**\$0.126 million**) due to an increase in accrued gambling taxes and an increase in capital works in progress (**\$0.075 million**) due to the development of an ACT Gamblers Exclusion Database. The lower cash and cash equivalents is mainly due to a capital distribution to Government of **\$2 million** offset by the flow on effect from a higher than expected operating result.

3. Comparison to 2011-12 Actuals

The Commission's total asset position is **\$1.320 million** lower than the 2011-12 actual result of **\$9.356 million** mainly due to a decrease in the following:

- cash and cash equivalents (**\$1.118 million**) due to a capital distribution to Government of **\$2 million** partially offset by the flow on effect from a higher than expected operating result;
- receivables (**\$0.196 million**) due to a decrease in accrued gambling taxes (**\$0.180 million**) and a decrease in other receivables (**\$0.016 million**); and
- intangible assets (**\$0.074 million**) due to the amortisation of the Gaming Machine Database.

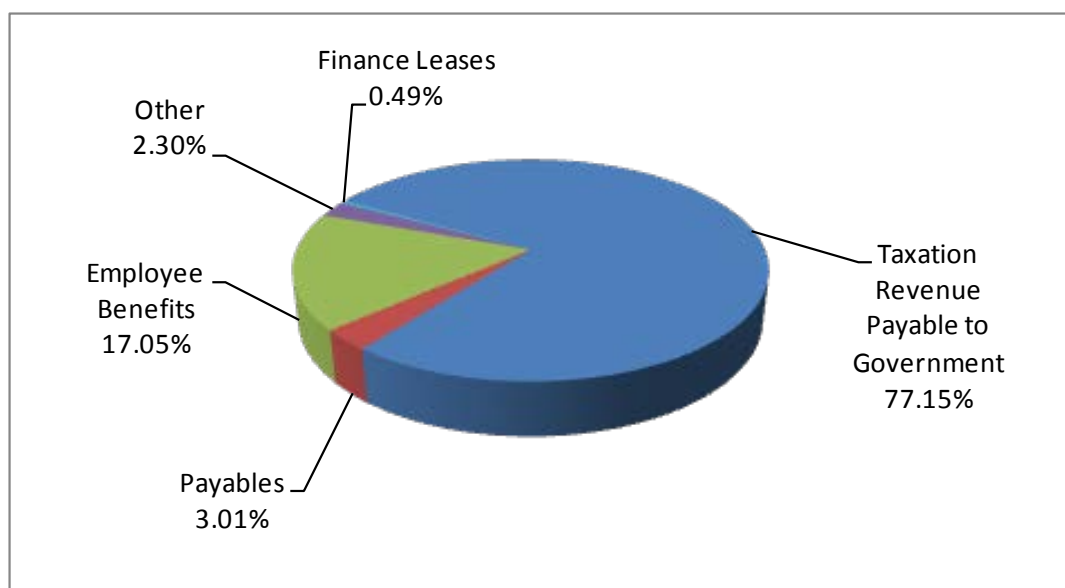
The above decreases have been partially offset by an increase in Capital Works in Progress (**\$0.075 million**) due to the development of an ACT Gamblers Exclusion Database.

TOTAL LIABILITIES

1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities as at 30 June 2013 relate to taxation revenue payable to Government (**77.2 per cent**) and employee benefits (**17.1 per cent**).

Figure 4 – Total Liabilities as at 30 June 2013



2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2013 of **\$5.510 million** is **\$0.014 million** higher than the 2012-13 budget of **\$5.496 million**.

3. Comparison to 2011-12 Actuals

Total liabilities are **\$0.308 million** lower than the 2011-12 actual results of **\$5.818 million** mainly due to decreases in taxation revenue payable to Government (**\$0.182 million**), payables (**\$0.107 million**) and employee benefits (**\$0.014 million**).

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 2011-12 \$'000s	Current Year Budget 2012-13 \$'000s	Current Year Actual 2012-13 \$'000s	Forward Year Budget 2013-14 \$'000s	Forward Year Budget 2014-15 \$'000s	Forward Year Budget 2015-16 \$'000s
Current Assets	9,021	8,074	7,706	8,518	8,984	9,473
Current Liabilities	5,727	5,345	5,402	5,345	5,375	5,375
Current Ratio	1.58:1	1.48:1	1.43:1	1.59:1	1.67:1	1.76:1

The Commission's current ratio for the financial year ended 30 June 2013 is **1.43:1** which is lower than the budgeted current ratio of **1.48:1**. The reduced ratio reflects lower cash and cash equivalents (**\$0.483 million**) offset by an increase in receivables (**\$0.126 million**) due to an increase in accrued gambling taxes and an increase in capital works in progress (**\$0.075 million**) due to the development of an ACT Gamblers Exclusion Database. The lower cash and cash equivalents is mainly due to a capital distribution to Government of **\$2 million** offset by the flow on effect from a higher than expected operating result.

The Commission is expecting to maintain a strong level of liquidity as the current ratio increases in the forward years to **1.76:1** by 2015-16.

A.6 FINANCIAL REPORT

**ACT AUDITOR-GENERAL'S OFFICE**

A13/26

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

Dear Mr Haskins *John*

**AUDIT REPORT – ACT GAMBLING AND RACING COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

The Audit Office has completed the audit of the financial statements of the ACT Gambling and Racing Commission for the year ended 30 June 2013.

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

Bernie Sheville
Director, Financial Audits
6 August 2013

c.c. Mr Greg Jones, Chief Executive Officer
Mr Ron Leonard, Manager, Coordination and Revenue
Mr Mark Rolfe, Chair, Audit and Risk Committee

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ACT AUDITOR-GENERAL'S OFFICE



INDEPENDENT AUDIT REPORT

ACT GAMBLING AND RACING COMMISSION

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2013 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 by performing 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.

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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 2013:

- (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 2013 and the results of its operations and cash flows for the year then ended.

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



Bernie Sheville
Director, Financial Audits
6 August 2013



ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2013

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 2013 and the financial position of the ACT Gambling and Racing Commission on that date.

A handwritten signature in black ink, appearing to read "J Haskins", written in a cursive style.

John Haskins
Chairperson
ACT Gambling and Racing Commission

12th July 2013



ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2013

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 2013 and the financial position of the ACT Gambling and Racing Commission on that date.

A handwritten signature in black ink, appearing to read "Ron Leonard".

Ron Leonard
Chief Finance Officer
ACT Gambling and Racing Commission

12 July 2012

ACT GAMBLING AND RACING COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2013

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
Income				
<i>Revenue</i>				
Government Payment for Outputs	4	4,408,000	4,408,000	4,278,000
Taxation Collected on Behalf of the Territory	5	54,407,042	51,400,000	53,279,890
Regulatory Fees	6	3,145,073	3,344,000	3,086,924
Interest	7	137,209	127,000	154,736
Resources Received Free of Charge	8	426	25,000	13,965
Other Revenue	9	1,253,758	1,162,000	1,265,132
Total Revenue		63,351,508	60,466,000	62,078,647
<i>Gains</i>				
Other Gains	10	24,978	150,000	128,584
Total Gains		24,978	150,000	128,584
Total Income		63,376,486	60,616,000	62,207,231
Expenses				
Employee Expenses	11	2,686,110	2,887,000	2,522,904
Superannuation Expenses	12	392,971	396,000	382,154
Supplies and Services	13	1,022,688	1,561,000	993,753
Purchased Services	14	650,730	651,000	650,730
Depreciation and Amortisation	15	80,213	84,000	66,600
Borrowing Costs	16	2,097	2,000	2,219
Other Expenses	17	995	0	61,595
Taxation Revenue Transferred to Government		57,552,115	54,744,000	56,306,814
Total Expenses		62,387,919	60,325,000	60,986,769
Operating Surplus		988,567	291,000	1,220,462
Other Comprehensive Income				
<i>Items that will not be reclassified to profit or loss</i>				
Increase/(Decrease) in the Asset Revaluation Surplus	29	0	0	0
Total Other Comprehensive Income		0	0	0
Total Comprehensive Income		988,567	291,000	1,220,462

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

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

ACT Gambling and Racing Commission
Balance Sheet
As at 30 June 2013

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
Current Assets				
Cash and Cash Equivalents	20	3,245,016	3,728,000	4,363,019
Receivables	21	4,460,074	4,334,000	4,656,366
Prepayments		1,086	12,000	1,140
Total Current Assets		7,706,176	8,074,000	9,020,525
Non-Current Assets				
Plant and Equipment	22	27,825	37,000	33,992
Intangible Assets	23	227,085	226,000	301,131
Capital Works in Progress	24	75,381	0	0
Total Non-Current Assets		330,291	263,000	335,123
Total Assets		8,036,467	8,337,000	9,355,648
Current Liabilities				
Payables	25	165,871	48,000	273,233
Finance Leases	26	5,704	25,000	5,316
Employee Benefits	27	852,674	931,000	890,363
Taxation Revenue Payable to Government		4,251,051	4,222,000	4,432,972
Other Liabilities	28	126,726	119,000	125,183
Total Current Liabilities		5,402,026	5,345,000	5,727,067
Non-Current Liabilities				
Finance Leases	26	21,176	0	26,880
Employee Benefits	27	86,882	151,000	63,885
Total Non-Current Liabilities		108,058	151,000	90,765
Total Liabilities		5,510,084	5,496,000	5,817,832
Net Assets		2,526,383	2,841,000	3,537,816
Equity				
Accumulated Funds		2,524,275	2,839,000	3,535,708
Asset Revaluation Surplus	29	2,108	2,000	2,108
Total Equity		2,526,383	2,841,000	3,537,816

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 2013**

		Accumulated Funds Actual 2013 \$	Asset Revaluation Surplus Actual 2013 \$	Total Equity Actual 2013 \$	Original Budget 2013 \$
2012-13	Note No.				
Balance at the Beginning of the Reporting Period		3,535,708	2,108	3,537,816	2,550,000
Comprehensive Income					
Operating Surplus		988,567	0	988,567	291,000
Increase/(Decrease) in the Asset Revaluation Surplus	29	0	0	0	0
Total Comprehensive Income		988,567	0	988,567	291,000
Transactions Involving Owners Affecting Accumulated Funds					
Capital (Distribution)		(2,000,000)	0	(2,000,000)	0
Total Transactions Involving Owners Affecting Accumulated Funds		(2,000,000)	0	(2,000,000)	0
Balance at the End of the Reporting Period		2,524,275	2,108	2,526,383	2,841,000

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
For the Year Ended 30 June 2013**

	Note No.	Accumulated Funds Actual 2012 \$	Asset Revaluation Surplus Actual 2012 \$	Total Equity Actual 2012 \$
2011-12				
Balance at the Beginning of the Reporting Period		2,315,246	2,108	2,317,354
Comprehensive Income				
Operating Surplus		1,220,462	0	1,220,462
Increase/(Decrease) in the Asset Revaluation Surplus	29	0	0	0
Total Comprehensive Income		1,220,462	0	1,220,462
Balance at the End of the Reporting Period		3,535,708	2,108	3,537,816

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 2013**

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		4,408,000	4,408,000	4,278,000
Taxation Collected on Behalf of the Territory		54,587,420	51,400,000	52,944,149
Regulatory Fees		3,146,616	3,344,000	3,092,858
Interest Received		142,933	127,000	153,207
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		188,455	119,000	149,298
Goods and Services Tax Collected from Customers		18,611	0	17,407
Other		1,283,389	1,312,000	1,290,126
Total Receipts from Operating Activities		63,775,424	60,710,000	61,925,045
Payments				
Employee		2,697,413	2,823,000	2,450,727
Superannuation		393,593	396,000	380,269
Supplies and Services		1,127,744	1,538,000	803,157
Purchased Services		650,730	651,000	591,080
Borrowing Costs		2,097	2,000	2,219
Other		995	0	1,595
Taxation Revenue Transferred to Government		57,734,036	54,744,000	56,037,007
Goods and Services Tax Remitted to the Australian Taxation Office		18,360	0	15,899
Goods and Services Tax Paid to Suppliers		187,762	119,000	154,318
Total Payments from Operating Activities		62,812,730	60,273,000	60,436,271
Net Cash Inflows from Operating Activities	34	962,694	437,000	1,488,774
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Plant and Equipment		0	0	23,170
Total Receipts from Investing Activities		0	0	23,170

**ACT Gambling and Racing Commission
Cash Flow Statement - Continued
For the Year Ended 30 June 2013**

	Note No.	Actual 2013 \$	Original Budget 2013 \$	Actual 2012 \$
Payments				
Purchase of Plant and Equipment		0	10,000	0
Purchase of Intangibles		75,381	0	40,405
Total Payments from Investing Activities		75,381	10,000	40,405
Net Cash (Outflows) from Investing Activities		(75,381)	(10,000)	(17,235)
Cash Flows from Financing Activities				
Payments				
Repayment of Finance Lease Liabilities		5,316	7,000	26,997
Distributions to Government		2,000,000	0	0
Total Payments from Financing Activities		2,005,316	7,000	26,997
Net Cash (Outflows) from Financing Activities		(2,005,316)	(7,000)	(26,997)
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,118,003)	420,000	1,444,542
Cash and Cash Equivalents at the Beginning of the Reporting Period		4,363,019	3,308,000	2,918,477
Cash and Cash Equivalents at the End of the Reporting Period	34	3,245,016	3,728,000	4,363,019

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 2013**

	Original Budget 2013 \$	Total Appropriated 2013 \$	Appropriation Drawn 2013 \$	Appropriation Drawn 2012 \$
Government Payment for Outputs	4,408,000	4,408,000	4,408,000	4,278,000
Total Appropriation	4,408,000	4,408,000	4,408,000	4,278,000

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 Note Index

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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 1. Objectives of the ACT Gambling and Racing Commission

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

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

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

Note 2. Summary of Significant Accounting Policies

a) Basis of Accounting

The *Financial Management Act 1996* (FMA) requires the preparation of 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 except for assets which were valued in accordance with the (re)valuation policies applicable to the Commission during the reporting period.

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 2013

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 2013 together with the financial position of the Commission as at 30 June 2013.

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.

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

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.

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) Repairs and Maintenance

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

g) 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.

h) 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.

i) 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 cost to sell' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost where the asset would be replaced if the Commission were deprived of it. Non-financial assets which have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

j) 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.

k) 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 must be paid in the following month.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

k) Receivables - Continued

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. In some cases the Commission has entered into contractual arrangements with some customers allowing it to charge interest at commercial rates where payments are not received within 60 days after the amount falls due until the whole debt is paid.

The allowance for impairment losses represents the amount of trade receivables, 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 back against the receivables account when the Commission ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

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

l) Acquisition and Recognition of Plant and Equipment

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

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

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

m) Measurement of Plant and Equipment After Initial Recognition

Plant and equipment is measured at fair value.

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

m) Measurement of Plant and Equipment After Initial Recognition - Continued

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

n) 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.

o) Depreciation and Amortisation of Non-Current Assets

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

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.

p) Payables

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

Payables include Trade Payables and Accrued Expenses.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

p) Payables - Continued

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 period end.

q) Leases

The Commission has entered into finance leases for motor vehicles.

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.

r) Employee Benefits

Employee benefits include wages and salaries, annual leave, annual leave loading, long service leave and applicable on-costs. On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

Wages and Salaries

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

Annual and Long Service Leave

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

Annual and long service leave including applicable on-costs that do not fall due within the next 12 months are measured at the present value of estimated future payments to be made in respect of

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

r) Employee Benefits - Continued

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 each reporting period end, the present value of future payments is calculated using market yields on Commonwealth Government bonds with terms of maturity to match, as closely as possible, the estimated future cash flows. In 2012-13, the rate used to estimate the present value of these future payments is 101.3% (106.6% in 2011-12).

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

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

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

s) Superannuation

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 2013

Note 2. Summary of Significant Accounting Policies – Continued

s) Superannuation - Continued

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

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

t) Equity Contributed by the ACT Government

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

u) Insurance

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

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) *Fair Value of Assets:* The Commission has made a significant judgement regarding the fair value of its assets. Plant and Equipment have been recorded at the market value of similar assets as determined by an independent valuer. Further details in relation to fair value of assets are outlined in Note 2(m) - *Measurement of Plant and Equipment After Initial Recognition*.
- b) *Employee Benefits:* Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2(r) - *Employee Benefits* and Note 3 *Change in Accounting Policy and Accounting Estimates*.
- c) *Estimation of the Useful Lives of Plant and Equipment:* The Commission has made a significant estimate in determining the useful lives of its plant and equipment. The estimation of useful lives of plant and equipment has been based on the historical experience of similar assets. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary. Further disclosure concerning an asset's useful life can be found at Note 2(o) - *Depreciation of Non-Current Assets*.
- d) *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(k) - *Receivables*.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

v) Significant Accounting Judgements and Estimates - Continued

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

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

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Commission does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date. It is estimated that the effect of adopting the following pronouncements, when applicable, will have no material financial impact on the Commission in future reporting periods.

- AASB 9 Financial Instruments (application date 1 January 2015);
- AASB 10 Consolidated Financial Statements (application date 1 January 2013 for for-profit entities and 1 January 2014 for not-for-profit entities);
- AASB 13 Fair Value Measurement (application date 1 January 2013);
- AASB 119 Employee Benefits (application date 1 January 2013);
- AASB 127 Separate Financial Statements (application date 1 January 2013 for for-profit entities and 1 January 2014 for not-for-profit entities);
- AASB 1055 Budgetary Reporting (application date 1 July 2014);
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 (application date 1 January 2015);
- AASB 2011-4 Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements [AASB 124] (application date 1 January 2013);
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023, & 1038 and Interpretations 5, 9, 16 & 17] (application date 1 January 2013 for for-profit entities and 1 January 2014 for not-for-profit entities);
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 101, 107, 112, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (application date 1 January 2013);
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14 (application date 1 January 2013);

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 2. Summary of Significant Accounting Policies – Continued

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

- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] (application date 1 January 2013);
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (application date 1 January 2014);
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB, 132 & AASB 134 and Interpretation 2] (application date 1 January 2013);
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-8] (application date 1 January 2013); and
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12] (application date 1 January 2013).

Note 3. Change in Accounting Policy and Accounting Estimates

Change in Accounting Policy

The Commission had no changes in accounting policy during the reporting period.

Change in Accounting Estimates

Revision of Estimation of the Employee Benefit Liability

As disclosed in Note 2(r) *Employee Benefits*, annual and long service leave, including applicable on-costs, which do not fall due within the next 12 months, are measured at the present value of estimated payments to be made in respect of services provided by employees up to the reporting date. The present value of future payments is estimated using the government bond rate.

The rate used to estimate the present value of the payments decreased from 106.6% in 2011-12 to 101.3% in 2012-13.

This change has resulted in a decrease in the estimate of the long service leave liability and a decrease in the expense for the current reporting period of \$26,053.

ACT Gambling and Racing Commission
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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.

	2013	2012
	\$	\$
Revenue from the ACT Government		
Government Payment for Outputs	4,408,000	4,278,000
Total Government Payment for Outputs	4,408,000	4,278,000

Note 5. Taxation Collected on Behalf of the Territory

Gaming Machines	34,905,838	35,714,068
Interstate Lotteries	16,054,041	14,018,700
Casino	1,861,794	2,022,187
ACTTAB	1,582,318	1,464,935
Sports Bookmaking	3,051	60,000
Total Taxation Collected on Behalf of the Territory	54,407,042	53,279,890

Note 6. Regulatory Fees

Gaming Machines	250,922	182,066
Lotteries	2,010,605	2,001,028
Casino	853,938	864,546
Sports Bookmaking	25,804	37,589
Racing	3,804	1,695
Total Regulatory Fees	3,145,073	3,086,924

Note 7. Interest

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

Revenue from Non-ACT Government Entities

Interest ¹	137,209	154,736
Total Interest Revenue from Non-ACT Government Entities	137,209	154,736

1. The decrease in Interest in 2012-13 is mainly due to the reduction in interest rates during the reporting period.

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	426	13,965
Total Resources Received Free of Charge	426	13,965

1. The decrease in Resources Received Free of Charge in 2012-13 is due to reduced engagement of ACT Government Solicitors Office services during the reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 9. Other Revenue	2013	2012
	\$	\$

Other Revenue arises from the core activities of the ACT Gambling and Racing Commission. Other Revenue is distinct from Other Gains, as Other Gains tend to be one-off unusual items that are not part of the core activities of the Commission.

Revenue from ACT Government Entities

Problem Gambling Assistance Fund Contribution ¹	45,455	45,455
Total Other Revenue from ACT Government Entities	45,455	45,455

Revenue from Non-ACT Government Entities

Race Field Information Charge Fee	100,000	84,521
Problem Gambling Assistance Fund Contribution ²	1,108,303	1,135,156
Total Other Revenue from Non-ACT Government Entities	1,208,303	1,219,677

Total Other Revenue	1,253,758	1,265,132
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1. ACT Government Entity contributions to the problem Gambling Assistance Fund consist of a voluntary contribution from ACTTAB.
2. Non-ACT Government Entity contributions to the Problem Gambling Assistance Fund consist of a levy on gaming machine licensees as well as a voluntary contribution from Casino Canberra.

Note 10. Other Gains

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

Gains from Sale of Assets	0	3,170
Unclaimed Prize Money ¹	24,978	125,414
Total Other Gains	24,978	128,584

1. The decrease in Unclaimed Prize Money in 2012-13 is due to Victorian lotteries no longer being sold 'over-the-counter' or promoted within the ACT.

Note 11. Employee Expenses

Wages and Salaries ¹	2,494,956	2,274,124
Annual Leave Expense	222,418	185,879
Long Service Leave Expense ²	(48,329)	47,377
Workers' Compensation Insurance Premium	17,065	15,524
Total Employee Expenses	2,686,110	2,522,904

1. The increase in Wages and Salaries is due to the Commission operating close to budgeted staffing numbers for the majority of the financial year, however, a number of vacancies occurred towards the end of the financial year.
2. The decrease in Long Service Leave Expense in 2012-13 is due to a reduction in the rate used to estimate the present value of long service leave payments (refer note 3. Change in Accounting Policy and Accounting Estimates) and a reduction in the number of staff with high long service leave liabilities.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 12. Superannuation Expenses	2013	2012
	\$	\$
Superannuation Contributions to the Territory Banking Account	235,046	250,330
Productivity Benefit	30,350	34,454
Superannuation Payment to Comsuper (for the PSSAP)	2,294	7,165
Superannuation to External Providers	125,281	90,205
Total Superannuation Expenses	392,971	382,154

Note 13. Supplies and Services

Rent and Related Expenses	302,103	287,345
Travel	14,543	11,608
Research Expenses ¹	137,399	204,761
General Administration Costs	114,893	145,876
Audit Fees	35,755	36,698
Personnel Services	66,386	70,170
ICT Support Services	195,297	184,603
Legal Fees ²	426	13,965
Other ³	155,886	38,727
Total Supplies and Services	1,022,688	993,753

1. The decrease in Research Expenses in 2012-13 relates to the delays in the completion or commencement of research projects during the financial year.
2. The decrease in Legal Fees in 2012-13 is due to a reduction in the use of ACT Government Solicitors Office services during the reporting period.
3. The increase in Other Expenses in 2012-13 relates to expenses from the Problem Gambling Assistance Fund on projects aimed to reduce the negative impact of problem gambling.

Note 14. Purchased Services

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

Problem Gambling Support Services	650,730	650,730
Total Purchased Services	650,730	650,730

Note 15. Depreciation and Amortisation

Depreciation

Plant and Equipment	1,038	1,038
Plant and Equipment under a Finance Lease	5,129	3,858
Total Depreciation	6,167	4,896

Amortisation

Intangible Assets	74,046	61,704
Total Amortisation	74,046	61,704

Total Depreciation and Amortisation	80,213	66,600
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 16. Borrowing Costs	2013	2012
	\$	\$
Finance Charges on Finance Leases	2,097	2,219
Total Borrowing Costs	2,097	2,219

Note 17. Other Expenses		
Unclaimed Prize Money	995	1,595
Impairment Losses (see note 18)	0	60,000
Total Other Expenses	995	61,595

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.

The impairment loss listed below has occurred during the reporting period for the Commission.

	No.	2013	No.	2012
		\$		\$
Impairment Losses				
<i>Impairment Losses from Receivables</i>				
Gambling Taxes Accrued – Sports Bookmaking Tax	0	0	1	60,000
<i>Total Impairment Losses from Receivables</i>	0	0	1	60,000
Total Impairment Losses	0	0	1	60,000

The impairment loss from receivables in 2012 is an estimated amount of Sports Bookmaking taxation owed to the Commission but not received as a result of the liquidation of Sports Alive Pty Ltd on 26 August 2011.

There were no waivers or write offs during the reporting period (2011-2012 Nil).

Note 19. Auditor's Remuneration

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

Audit Services	2013	2012
	\$	\$
Audit Fees Paid to the ACT Auditor-General's Office	35,755	32,798
Total Audit Fees	35,755	32,798

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 20. Cash and Cash Equivalents	2013	2012
	\$	\$
The ACT Gambling and Racing Commission holds five bank accounts with the Commonwealth Bank as part of the whole-of-government banking arrangements that earned an average floating interest rate of 2.98% (2011-2012 4.20%).		
Cash at Bank	3,244,719	4,362,776
Cash on Hand	297	243
Total Cash and Cash Equivalents	3,245,016	4,363,019

Note 21. Receivables

Gaming Machine Taxation ¹	2,881,993	3,180,855
Interstate Lotteries Duty ²	1,183,512	1,033,655
Casino Taxation ³	127,046	169,058
ACTTAB Licence Fee	149,946	139,307
Sports Bookmakers Taxation	60,000	60,000
Less: Allowance for Impairment Loss	(60,000)	(60,000)
Sub-Total (Gambling Taxes Accrued)	4,342,497	4,522,875
Problem Gambling Assistance Fund Levy	90,921	100,420
Other Trade Receivables	11,784	15,428
Net GST Receivable	14,872	17,643
Sub-Total (Other Receivables)	117,577	133,491
Total Receivables	4,460,074	4,656,366

1. The decrease in Gaming Machine Taxation in 2012-13 is due to lower activity for the month of June 2013 payable in July compared to June 2012.
2. The increase in Interstate Lotteries Duty in 2012-13 is due to higher activity for the month of June 2013 payable in July compared to June 2012.
3. The decrease in Casino Taxation in 2012-13 is due to lower activity for the month of June 2013 payable in July compared to June 2012.

Ageing of Receivables

	Not Overdue	Past Due			Total
		Less than 30 Days	30 to 60 days	Greater than 60 Days	
	\$	\$	\$	\$	\$
2013					
Not Impaired ¹					
Receivables	4,460,074	0	0	0	4,460,074
Impaired					
Receivables ²	0	0	0	60,000	60,000
2012					
Not Impaired ¹					
Receivables	4,656,366	0	0	0	4,656,366
Impaired					
Receivables ²	0	0	0	60,000	60,000

1. 'Not Impaired' refers to Net Receivables (that is, Gross Receivables less Impaired Receivables).
2. The Impaired Receivable is due to an unpaid tax liability of Sports Alive Pty Ltd as a result of its voluntary liquidation in August 2011. The winding up of Sports Alive Pty Ltd had not been finalised by the end of the reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
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Note 21. Receivables - Continued

	2013	2012
	\$	\$
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	60,000	0
Additional Allowance Recognised During the Reporting Period	0	60,000
Reduction in Allowance from Amounts Recovered During the Reporting Period	0	0
Reduction in Allowance from Amounts Written off During the Reporting period	0	0
Allowance for Impairment Losses at the End of the Reporting Period	60,000	60,000

Classification of ACT Government/Non-ACT Government Receivables**Receivables with ACT Government Entities**

Gambling Taxes Accrued	149,946	139,307
Other Trade Receivables	0	2,766
Total Receivables with ACT Government Entities	149,946	142,073

Receivables with Non-ACT Government Entities

Gambling Taxes Accrued	4,192,551	4,383,568
Problem Gambling Assistance Fund Levy	90,921	100,420
Other Trade Receivables	11,784	12,662
Net GST Receivable	14,872	17,643
Total Receivables with Non-ACT Government Entities	4,310,128	4,514,293

Total Receivables	4,460,074	4,656,366
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Note 22. Plant and Equipment

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

	2013	2012
	\$	\$
Plant and Equipment		
Plant and Equipment at Fair Value	5,191	5,191
Less: Accumulated Depreciation	(2,123)	(1,085)
Total Written Down Value of Plant and Equipment	3,068	4,106

Plant and Equipment under a Finance Lease

Plant and Equipment under a Finance Lease at Fair Value	33,744	33,744
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	(8,987)	(3,858)
Total Written Down Value of Plant and Equipment under a Finance Lease	24,757	29,886

Total Written Down Value of Plant and Equipment	27,825	33,992
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 22. Plant and Equipment - Continued

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 16 June 2011. The next valuation is scheduled to be performed in 2014.

Reconciliation of Plant and Equipment

The following table shows the movement of Plant and Equipment during 2012-13 and 2011-12.

2012-13	Plant and Equipment	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	33,992	33,992
Additions	0	0
Disposals	0	0
Revaluation Increment	0	0
Impairment Loss Recognised in Other Comprehensive Income	0	0
Depreciation	(6,167)	(6,167)
Carrying Amount at the End of the Reporting Period	27,825	27,825

2011-12	Plant and Equipment	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	25,144	25,144
Additions	33,744	33,744
Disposals	(20,000)	(20,000)
Revaluation Increment	0	0
Impairment Loss Recognised in Other Comprehensive Income	0	0
Depreciation	(4,896)	(4,896)
Carrying Amount at the End of the Reporting Period	33,992	33,992

Note 23. Intangible Assets

The Commission has externally purchased software consisting of a new Gaming Machine Tax Database.

	2013	2012
	\$	\$
Computer Software		
<i>Externally Purchased Software</i>		
Computer Software at Cost	362,835	362,835
Less: Accumulated Amortisation	(135,750)	(61,704)
<i>Total Externally Purchased Software</i>	<u>227,085</u>	<u>301,131</u>
Total Computer Software	<u>227,085</u>	<u>301,131</u>

ACT Gambling and Racing Commission
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Note 23. Intangible Assets - Continued**Reconciliation of Intangible Assets**

The following table shows the movement of Intangible Assets 2012-13 and 2011-12.

2012-13	Externally Purchased Software \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	301,131	301,131
Additions		
Amortisation	(74,046)	(74,046)
Carrying Amount at the End of the Reporting Period	227,085	227,085

2011-12	Externally Purchased Software \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	0	0
Additions	362,835	362,835
Amortisation	(61,704)	(61,704)
Carrying Amount at the End of the Reporting Period	301,131	301,131

Note 24. Capital Works in Progress

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated or amortised as the Commission is not deriving any economic benefits from them.

	2013 \$	2012 \$
Software Works in Progress ¹	75,381	0
Total Capital Works in Progress	75,381	0

1. The increase in Software Works in Progress in 2012-13 is due to the development of an ACT Gamblers' Exclusion Database not being completed by the end of the reporting period.

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2012-13 and 2011-12.

2012-13	Software Works in Progress \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	0	0
Additions	75,381	75,381
Capital Works in Progress Completed and Transferred to Intangible Assets	0	0
Carrying Amount at the End of the Reporting Period	75,381	75,381

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 24. Capital Works in Progress - Continued

2011-12	Software Works in Progress \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	322,430	322,430
Additions	40,405	40,405
Capital Works in Progress Completed and Transferred to Intangible Assets	(362,835)	(362,835)
Carrying Amount at the End of the Reporting Period	0	0

Note 25. Payables

	2013 \$	2012 \$
Trade Payables ¹	124,243	106,114
Accrued Expenses ²	41,628	167,119
Total Payables	165,871	273,233

Ageing of Payables

Payables are aged as follows:

Not overdue	165,871	273,233
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	165,871	273,233

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Trade Payables	4,411	40,835
Accrued Expenses	39,753	121,436
Total Payables with ACT Government Entities	44,164	162,271

Payables with Non-ACT Government Entities

Trade Payables	119,832	65,279
Accrued Expenses	1,875	45,683
Total Payables with Non-ACT Government Entities	121,707	110,962
Total Payables	165,871	273,233

1. The increase in Trade Payables is due to an invoice for a research project being raised in June 2013 and paid in July 2013.
2. The decrease in Accrued Expenses is due to expenses incurred by the Commission during 2012-13 being invoiced before 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 2013

Note 26. Finance Leases

	2013	2012
	\$	\$

The Commission holds two finance leases each of which has been taken up as a finance lease liability and an asset under a finance lease. These leases are for motor vehicles. The interest rates implicit in these leases are 7.58% and 6.52% with both leases on a four year term. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses.

Current Finance Leases

Secured

Finance Leases	5,704	5,316
Total Current Secured Finance Leases	5,704	5,316

Non-Current Finance Leases

Secured

Finance Leases	21,176	26,880
Total Non-Current Secured Finance Leases	21,176	26,880
Total Finance Leases	26,880	32,196

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	7,413	7,412
Later than one year but not later than five years	22,755	30,168
Later than five years	0	0
Minimum Lease Payments	30,168	37,580
Less: Future Finance Lease Charges	(3,288)	(5,384)
Amount Recognised as a Liability	26,880	32,196

Total Present Value of Minimum Lease Payments	26,880	32,196
--	---------------	---------------

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

Within one year	5,704	5,316
Later than one year but not later than five years	21,176	26,880
Later than five years	0	0
Total Present Value of Minimum Lease Payments	26,880	32,196

Classification on the Balance Sheet

Finance Leases

Current Finance Leases	5,704	5,316
Non-Current Finance Leases	21,176	26,880
Total Finance Leases	26,880	32,196

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 27. Employee Benefits	2013	2012
	\$	\$
Current Employee Benefits		
Annual Leave	315,497	282,561
Long Service Leave	446,419	517,745
Accrued Wages and Salaries	90,758	90,057
Total Current Employee Entitlements	852,674	890,363
Non-Current Employee Benefits		
Long Service Leave	86,882	63,885
Total Non-Current Employee Entitlements	86,882	63,885
Total Employee Benefits	939,556	954,248
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	315,497	282,561
Long Service Leave	35,343	52,251
Accrued Wages and Salaries	90,758	90,057
Total Employee Benefits Payable within 12 Months	441,598	424,869
Estimated Amount Payable after 12 Months		
Long Service Leave	497,958	529,379
Total Employee Benefits Payable after 12 Months	497,958	529,379
Total Employee Benefits	939,556	954,248

At the end of the 2012-13 reporting period, the ACT Gambling and Racing Commission had 27.6 full-time equivalent staff employed (in 2011-12 there were 29.3 full-time equivalent staff).

Note 28. Other Liabilities

Current Other Liabilities

Revenue Received in Advance		
- Casino Licence	64,868	64,099
- Sports Bookmakers Annual Licence	26,578	25,804
Other – Security Deposits (Interactive Gambling)	35,280	35,280
Total Current Other Liabilities	126,726	125,183

Note 29. Equity

Asset Revaluation Surplus

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

Balance at the Beginning of the Reporting Period	2,108	2,108
Increase/(Decrease) in the Asset Revaluation Surplus	0	0
Total Increase/(Decrease) in the Asset Revaluation Surplus	0	0
Balance at the End of the Reporting Period	2,108	2,108

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 30. 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 rates decreased during the year ended 30 June 2013 and, as such, have resulted in a decrease in the amount of interest received.

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

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.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 30. Financial Instruments - Continued

Liquidity Risk

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

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 2013 \$	Fair Value 2013 \$	Carrying Amount 2012 \$	Fair Value 2012 \$
Financial Assets				
Cash and Cash Equivalents	3,245,016	3,185,016	4,363,019	4,303,019
Receivables	26,656	26,656	33,071	33,071
Total Financial Assets	3,271,672	3,211,672	4,396,090	4,336,090
Financial Liabilities				
Payables	165,871	165,871	273,233	273,233
Finance Leases	26,880	26,880	32,196	32,196
Total Financial Liabilities	192,751	192,751	305,429	305,429

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 2013

Note 30. 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 2013. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Fixed Interest maturing in:				Non-Interest Bearing	Total
			Floating Interest Rate	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
Financial Instruments			\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and Cash Equivalents	20	2.98%	3,244,719	0	0	0	297	3,245,016
Receivables	21		0	0	0	0	26,656	26,656
Total Financial Assets			3,244,719	0	0	0	26,953	3,271,672
Financial Liabilities								
Payables	25		0	0	0	0	165,871	165,871
Finance Leases	26	7.05%	0	7,413	22,755	0	0	30,168
Total Financial Liabilities			0	7,413	22,755	0	165,871	196,039
Net Financial Assets/(Liabilities)			3,244,719	(7,413)	(22,755)	0	(138,918)	3,075,633

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 30. 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 2012. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Interest Rate	Fixed Interest maturing in:				Non-Interest Bearing	Total
			Floating Interest Rate	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
Financial Instruments			\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and Cash Equivalents	20	4.20%	4,362,776	0	0	0	243	4,363,019
Receivables	21		0	0	0	0	33,071	33,071
Total Financial Assets			4,362,776	0	0	0	33,314	4,396,090
Financial Liabilities								
Payables	25		0	0	0	0	273,233	273,233
Finance Leases	26	7.05%	0	7,412	30,168	0	0	37,580
Total Financial Liabilities			0	7,412	30,168	0	273,233	310,813
Net Financial Assets/(Liabilities)			4,362,766	(7,412)	(30,168)	0	(239,919)	4,085,277

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

	2013	2012
	\$	\$
Note 30. Financial Instruments – Continued		
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables	26,656	33,071
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	192,751	305,429

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 31. Remuneration of Commissioners

Commission members (other than the Chief Executive Officer) are appointed by the Minister for Gaming and Racing under Section 12 of the *Gambling and Racing Control Act 1999* and in accordance with provisions of the *Financial Management Act 1996*. The members of the Commission as at 30 June 2013 are:

Mr J Haskins	Chair
Mr M Rolfe	Deputy Chair
Dr M Doverty	Member
Ms A Tay	Member
Mr G Jones	Chief Executive Officer

Commission members (other than the Chief Executive Officer) are entitled to remuneration and allowances in accordance with Determination No.14 of November 2011 and Determination No.9 of November 2012 made by the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Commission was \$121,532 (2011-12 \$109,009).

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 2013

Note 32. Commitments

Capital Commitments

Capital commitments contracted at reporting date that have not been recognised as liabilities are as follows:

	2013	2012
	\$	\$
<i>Capital Commitments – Intangible Assets</i>		
Payable:		
Within one Year	45,655	0
Later than one year but no later than five years	0	0
Later than five years	0	0
Total Capital Commitments – Intangible Assets¹	45,655	0
Total Capital Commitments	45,655	0

1. The increase in Capital Commitments in 2012-13 relates to the development of an ACT Online Gambler's Exclusion Database not being completed by the end of the reporting period.

Other Commitments

Other commitments contracted at reporting date that have not been recognised as liabilities are payable as follows:

Within one Year	650,730	650,730
Later than one year but no later than five years	0	650,730
Later than five years	0	0
Total Other Commitments¹	650,730	1,301,460

1. The decrease in Other Commitments in 2012-13 relates to the completion of two years of a three year contract for the provision of problem gambling support services to the ACT community which commenced on 1 July 2011.

Operating Lease Commitments

At 30 June 2013, the Commission's operating lease commitments are associated with information and communication technology asset rentals from Shared Services ICT and are payable as follows:

Within one Year	9,624	12,561
Later than one year but no later than five years	6,268	13,647
Later than five years	0	0
Total Operating Lease Commitments	15,892	26,208

Note 33. Contingent Liabilities

On 26 August 2011 Sports Alive Pty Ltd, then a licensed sports bookmaker in the ACT, voluntarily entered into liquidation. Since that time the Commission has received indications of possible claims from some Sports Alive betting account holders that relate to their financial losses with the company. The total estimated liability of all account holders is approximately \$3,000,000.

The Commission manages unclaimed prize monies relating to winning prizes which have remained unclaimed for a period of greater than 6 months. The Commission's contingent liability amount on the potential claims is \$2,311,782 (2011-12 \$2,287,800).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

	2013	2012
	\$	\$
Note 34. 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		
Total Cash and Cash Equivalents recorded in the Balance Sheet	3,245,016	4,363,019
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	3,245,016	4,363,019
(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus		
Operating Surplus	988,567	1,220,462
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	80,213	66,600
Non-Cash Expense on Acquisition of Motor Vehicles	0	2,005
Impairment Losses on Receivables	0	60,000
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	0	(3,170)
Cash Before Changes in Operating Assets and Liabilities	1,068,780	1,345,897
Changes in Operating Assets and Liabilities		
Decrease/(Increase) in Receivables	196,292	(441,201)
Decrease in Prepayments	54	10,708
(Decrease)/Increase in Payables	(107,362)	223,567
(Decrease)/Increase in Employee Benefits	(14,692)	74,062
(Decrease)/Increase in Taxation Revenue Payable	(181,921)	269,807
Increase in Other Liabilities	1,543	5,934
Net Changes In Operating Assets and Liabilities	(106,086)	142,877
Net Cash Inflows from Operating Activities	962,694	1,488,774
(c) Non-Cash Financing Activities		
	2013	2012
Acquisition of Motor Vehicles by means of Finance Leases	0	2

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2013

Note 35. Events Occurring After Balance Date

There were no events occurring after the balance date that would affect the financial statements as at 30 June 2013 or in future reporting periods.

Note 36. Third Party Monies

The ACT Gambling and Racing Commission collects and disperses the Race Field Information Charge in accordance with the provisions of the *Racing Act 1999*. The Race Field Information Scheme commenced on 1 March 2010.

	2013	2012
	\$	\$
Race Field Information Charge		
Balance at the Beginning of the Reporting Period	16,982	0
Cash Receipts	2,217,469	1,900,673
Cash Payments	(2,095,978)	(1,883,691)
Balance at the End of the Reporting Period	138,473	16,982

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

A.7 STATEMENT OF PERFORMANCE



ACT AUDITOR-GENERAL'S OFFICE



A13/26

Mr John Haskins
Chair
ACT Gambling and Racing Commission
Level 3, Canberra Nara Centre
1 Constitution Avenue
CANBERRA ACT 2601

Dear Mr Haskins *John*

REPORT OF FACTUAL FINDINGS - ACT GAMBLING AND RACING COMMISSION STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

The Audit Office has completed the review of the statement of performance of the ACT Gambling and Racing Commission for the year ended 30 June 2013.

I have attached the statement of performance and unqualified report of factual findings.

I have provided a copy of the statement of performance and report of factual findings to the Minister for Racing and Gaming, Ms Joy Burch MLA.

Yours sincerely

Bernie Sheville
Director, Financial Audits
16 August 2013

c.c. Mr Greg Jones, Chief Executive Officer
Mr Ron Leonard, Manager, Coordination and Revenue
Mr Mark Rolfe, Chair, Audit and Risk Committee

Level 4, 11 Moore Street, Canberra City, ACT 2601 | PO Box 275, Civic Square, ACT 2608
Telephone: 02 6207 0833 | Facsimile: 02 6207 0826 | Email: actauditorgeneral@act.gov.au



ACT AUDITOR-GENERAL'S OFFICE



REPORT OF FACTUAL FINDINGS

ACT GAMBLING AND RACING COMMISSION

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2013 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.

This review was conducted in accordance with the 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, the level of assurance provided is less than given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

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

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Telephone: 02 6207 0833 | Facsimile: 02 6207 0826 | Email: actauditorgeneral@act.gov.au

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.

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 this review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Commission for the year ended 30 June 2013, are not fairly present in accordance with the *Financial Management Act 1996*.

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



Bernie Sheville
Director, Financial Audits
16 August 2013



ACT Gambling and Racing Commission Statement of Performance For the Year Ended 30 June 2013

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the ACT Gambling and Racing Commission's records and fairly reflects the service performance of the ACT Gambling and Racing Commission for the year ended 30 June 2013 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read "J. Haskins".

John Haskins
Chairperson
ACT Gambling and Racing Commission

6 August 2013

ACT GAMBLING AND RACING COMMISSION

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2013**

Description of Objectives

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

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

ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2013

Output Class 1: Gambling Regulation and Harm Minimisation

Output 1.1: Gambling Regulation and Harm Minimisation

	Original Target 2012-13	Actual Result 2012-13	% Variance from Target	Reasons for Material Variance
Total cost	\$5,581,000	\$4,835,804	(13.4)	Note 1
Government payment for outputs	\$4,408,000	\$4,408,000	(0)	-

Accountability Indicators

Effectively regulate gambling and racing activity for statutory compliance

- a Conduct compliance audits of operator activity to detect compliance with legal framework
- | | | | | |
|-------------------|-----|-----|-----|---|
| - Casino | 100 | 100 | 0 | - |
| - Gaming Machines | 250 | 251 | 0.4 | - |
| - Bookmakers | 50 | 50 | 0 | - |
| - Minor Lotteries | 60 | 60 | 0 | - |

Ensure compliance with statutory payment of taxes, levies and fees

- b Conduct revenue audits to ensure correct payment of taxes, levies and fees received
- | | | | | |
|-------------------|----|----|---|---|
| - Casino | 12 | 12 | 0 | - |
| - Gaming Machines | 12 | 12 | 0 | - |
| - Bookmakers | 12 | 12 | 0 | - |

Keep informed about problem gambling issues and harm minimisation strategies

- | | | | | |
|---|---|---|---|---|
| c Initiate or complete research projects; analyse significant research projects conducted elsewhere | 5 | 5 | 0 | - |
|---|---|---|---|---|

Undertake measures designed to reduce the negative impact of problem gambling

- | | | | | |
|--|---|---|---|---|
| d Initiate or complete projects through the Problem Gambling Assistance Fund | 3 | 3 | 0 | - |
|--|---|---|---|---|

Reasons for Material Variance

- The result reflects lower than expected employee and superannuation expenditure due to the time-lag in employing staff after resignations and several staff utilising part-time employment. In addition, lower than expected supplies and services expenditure occurred from the Problem Gambling Assistance Fund while suitable projects were developed and approved.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2013**

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, levies and fees.
 - The Commission has met all of its original audit targets to provide assurance that it has collected 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 Beliefs and Knowledge About Problem Gambling Amongst High Intensity Players of Gaming Machines which was released in November 2012;
 - initiated a research project on Stigma and Help Seeking for Gambling Problems;
 - initiated a research project on Expenditure on Gambling Activities;
 - analysed the research paper on Gambling and Co-morbidity Disorders prepared for Gambling Research Australia; and
 - analysed the Prevalence Study of Gambling and Problem Gambling prepared for New South Wales.
- d Undertake measures designed to reduce the negative impact of problem gambling.
 - The Commission has:
 - completed a Business Requirements specifications for an ACT wide electronic exclusion database for use in all ACT licensed venues;
 - initiated the procurement of an ACT wide electronic exclusion database for use in all ACT licensed venues; and
 - initiated generic signage in venues advising of the availability of the ACT Gambling Counselling and Support Services.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2013**

Additional performance measures included in the Commission's 2012-13 Statement of Intent.

Objective	Activity	Measured by	Original Target 2012-13	Actual Result 2012-13	% 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 at least one report, brief or review	1	0
2. Keep informed about developments in gaming and regulatory practices	Attend relevant meetings and conferences	Number of meetings and conferences attended	Attend at least two meetings or conferences	2	0
3. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2012-13 budget	Achieve or improve the 2012-13 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating result of \$988,567 exceeds the budgeted operating result of \$291,000	0

Outcomes of Performance Measures

1. Review gaming legislation and policies and implement changes.
 - The Commission has:
 - Developed a policy paper to guide Commission decisions on when significant harm may occur from small scale gaming machine transfers in accordance with amendments to the *Gaming Machine Act 2004*.
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 \$988,567 against the 2012-13 budgeted result of \$291,000.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2013**

Financial performance measures included in the Commission's 2012-13 Statement of Intent.

	Original Target 2012-13	Actual Result 2012-13	% Variance from Target	Reasons for Material Variance
Profitability				
Return on Assets	3.59%	12.30%	242.6	Note 1
Return on Equity	10.31%	39.13%	279.5	Note 1
Financial Management				
Current Ratio	1.51:1	1.43:1	(5.3)	Note 2
Cash Position	0.45:1	0.40:1	(11.1)	Note 2
Financial Stability				
Debt Ratio	0.66:1	0.69:1	4.5	-
Debt Management				
Interest Cover Ratio	147:1	471:1	220.4	Note 1

Reasons for Material Variance

1. The higher than expected result reflects the improvement in the Commission's operating result mainly due to reduced expenditure on supplies and services and employee expenses.
2. The variance reflects a decrease in cash and cash equivalents mainly as a result of a capital distribution to Government offset by an improvement in the Commission's operating result.

Explanation of Financial Performance Measures

- *Return on Assets=EBIT / total assets*
[EBIT is Earnings Before Interest and Tax (Earnings = Operating Result)]
- *Return on Equity=EBIT / equity*
- *Current Ratio=current assets / current liabilities*
- *Cash Position=(cash + current investments) / total assets*
- *Debt Ratio=total liabilities / total assets*
- *Interest Cover Ratio=EBIT / annual interest payments*

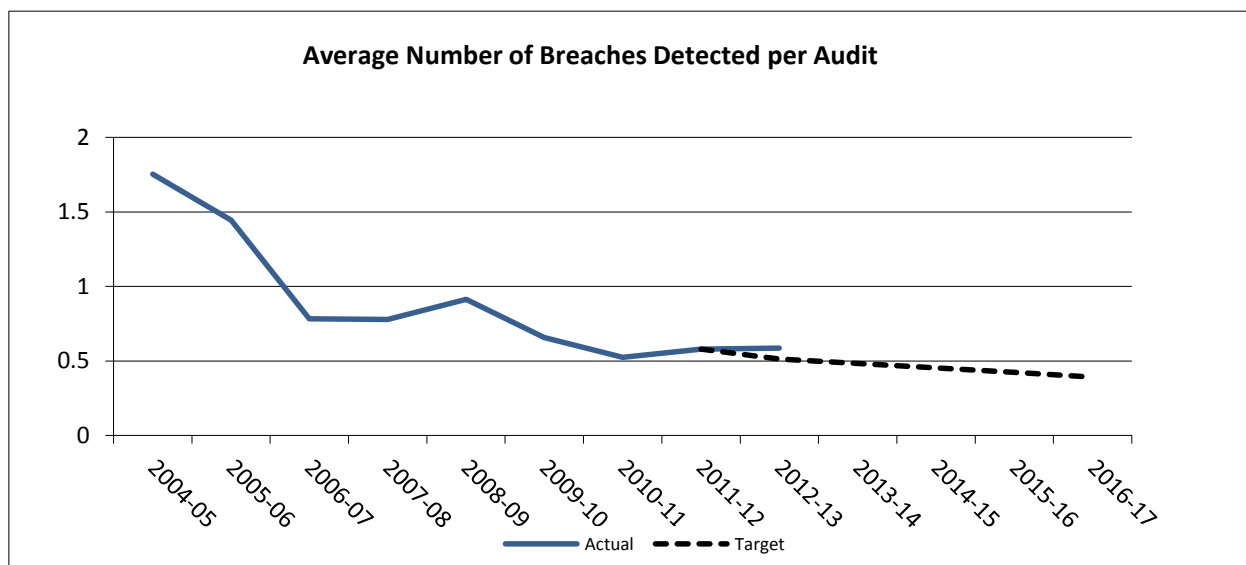
A.8 STRATEGIC INDICATORS

STRATEGIC INDICATOR 1

INCREASE GAMBLING OPERATORS' COMPLIANCE WITH LEGISLATION

Description

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

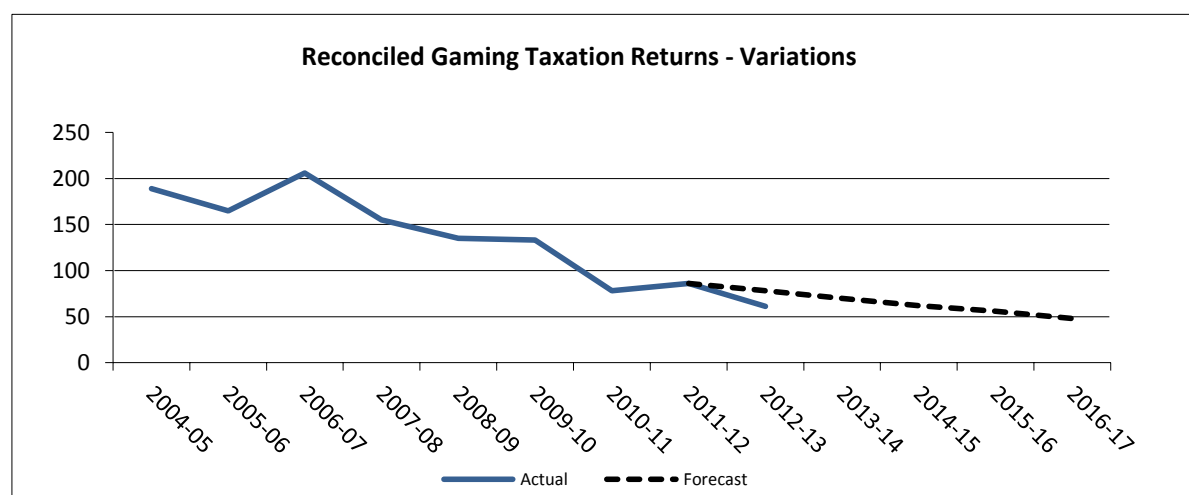
**Result**

The number of breaches detected per audit marginally increased for the 2012-13 financial year with the average number detected increasing from 0.58 in 2011-12 to 0.59 per audit. Although there has been a slight increase during the reporting period this change is not considered material and does not depart from the overall trend for the number of breaches steadily decreasing over time.

STRATEGIC INDICATOR 2

INCREASE THE ACCURACY OF RETURNS BY OPERATORS FOR GAMBLING RELATED TAXES, FEES AND FINES ON BEHALF OF THE ACT GOVERNMENT.**Description**

The Commission receives returns from operators along with payments for gambling related taxes, fees and fines. The Commission reconciles the returns against operators' activities and issues variation advices if discrepancies are found. The Commission aims to reduce the number of variations required through its education and liaison with operators in the ACT. A reduction in the number of variations in returns would indicate improvements in the licensees' performance and the success, or otherwise, of the Commission's activities in this area.

**Result**

The actual number of variations for 2012-13 decreased to 61 (2011-12 recorded 86). This reduction was due to a combination of increased licensee diligence and a continued focus of the Commission's education program.

A.9 ANALYSIS OF AGENCY PERFORMANCE

A.9.1 GAMING REGULATION

CASINO REGULATION

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

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

A key means of ensuring the integrity of the operations at the casino is 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.

Employee licensing

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

Licences Processed	Numbers
New Employees	44
Renewals	96
Variations	21
Cessations	53
Current Casino Employees	
Licensed	175
Unlicensed	62

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.

No changes to the casino's layout were approved in 2012-13.

Approval of gaming equipment and chips

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

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

During 2012-13 there were no applications for approvals of equipment or chips. One new supplier was approved during the period.

Approval of rules of games

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

There were no requests for the introduction of new games or changes to the rules of games during 2012-13.

Operating times

The casino is required to operate, at minimum, prescribed core hours, providing some certainty to patrons and tourists of the availability of this facility. The casino licensee provided advice of a temporary change of operating hours however 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 2012-13 was for 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.

There were no changes to the casino's control procedures during the reporting period. However, a temporary amendment to the control procedures was approved for the manning levels required for the reduced trading period on Christmas Day.

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 did not receive any written appeals against an exclusion notice.

Compliance Audits of Casino

The Commission uses a risk based audit methodology to ensure the casino's compliance with the relevant legislation. During the reporting period 100 audits of casino operations were undertaken as were investigations into alleged breaches of the rules and control procedures. In addition, 12 revenue based audits were conducted (one each month) to ensure the correct payment of taxes within statutory timeframes. After an application by the casino licensee to the Minister for Racing and Gaming approval was provided during the reporting period for the casino licensee to pay the yearly licence fee in quarterly instalments commencing in August 2013 rather than bi-annually.

Breaches Detected

The Commission identified 335 minor breaches of the approved rules and procedures during the reporting period. This compares to 363 minor breaches detected in the previous financial year. The minor breaches for 2012-13 were as follows:

- 317 related to the failure to comply with the approved gaming procedures;
- 1 related to the failure to comply with the approved cash desk procedures; and
- 17 related to the failure to comply with the approved security procedures (including 15 related to exclusion breaches by patrons).

All minor breaches were resolved satisfactorily.

The Commission identified 3 breaches of section 77 of the *Casino Control Act 2006* (the Act) where the casino failed to comply with their control procedures, 2 breaches of section 80 of the Act where a casino official allowed a child to enter or remain in the casino and 3 breaches of section 100 of the Act where a casino official failed to conduct an authorised game in accordance with the rules.

The Commission also identified a breach of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code) where advertising did not include the name and number of a counselling service as required by section 1.29 of the Code.

These matters were resolved by the licensee to the satisfaction of the Commission.

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. There were no matters of disciplinary action with respect to the casino licensee or its employees during the reporting period.

Casino Related Complaints

The Commission received five casino related complaints during the reporting period. Of these one was withdrawn, three were unsubstantiated and one was substantiated.

Contact Officer: Mr Bruce Waugh, telephone 6207 0359.

GAMING MACHINE REGULATION

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

- gaming machine operations are conducted in accordance with the provisions of the *Gaming Machine Act 2004* and associated regulations;
- gaming machine operations in the ACT are of a high standard, are conducted fairly and without corruption and reflect the 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.

The following table summarises the number of licensed gaming machine venues in the ACT and the total number of gaming machines allocated to these venues as at 30 June 2013.

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	51	4,906
Hotels/Taverns	10	68
Total	61	4,974

Under the existing gaming machine cap of 5,024 there are 50 gaming machines remaining unallocated as at 30 June 2013.

Applications for Additional Gaming Machines

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

Applications to relocate Gaming Machines

The Commission received 17 small-scale machine relocation applications during the reporting period resulting in a total of 148 gaming machines being relocated between clubs who hold more than 1 licence. No large-scale machine relocation applications were received during the reporting period.

Licence Cancellations and Transfers

The Commission did not receive any applications to transfer licences during the reporting period. Four club licences were surrendered, three after small-scale machine relocations were effected. One club licence that was cancelled in the previous reporting period was reinstated during the current reporting period after an appeal to the ACT Civil and Administrative Tribunal.

Machine Access Control

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

Type of Commission Activity	Number
New and renewed Gaming Machine Attendant applications processed	404
New and renewed Gaming Machine Technician applications processed	27
Transfers and amendments to Gaming Machine Attendant Certificates	27
Transfers and amendments to Gaming Machine Technician Certificates	0
Cancellation of Attendant or Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by a licensee or supplier	280
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	1
Refusal to renew an Attendant or Technician Certificate	0
Total current Approved Attendants	697
Total current Approved Technicians	43

During the reporting period the Commission refused one person's application for an Approved Attendant Certificate on the grounds that they were an ineligible person under the provisions of the *Gaming Machine Act 2004*.

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/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.

Type of Commission Activity	Number/Value
Applications for new types of gaming machines from suppliers	342
Applications for new types of peripheral equipment from suppliers	23
Number of gaming machines converted on application by licensees	1,294
Number of gaming machines replaced on application by licensees	593
Total value of new (replacement) machines approved	\$12,942,655
Applications to operate a linked-jackpot arrangement	39
Applications to operate a multi-user linked-jackpot arrangement	0
Applications to relocate gaming machines between venues	17
Number of gaming machines relocated between venues	148
Number of gaming machines disposed of on application by licensees	12

Contact Officer: Mr James Mullan, telephone 6207 0359

Compliance Audits of Gaming Machine Licensees

During the reporting period a total of 251 audits were undertaken relating to gaming machine venues to identify a licensee's compliance with the *Gaming Machine Act 2004* and the *Gambling and Racing Control (Code of Practice) Regulation 2002* and where applicable the *Lotteries Act 1964*. 59 of these audits related to verification of Community Contributions expenditure claimed by licensees.

The Commission commenced a targeted audit program during 2012-13 focussing on licensees' compliance with the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code). These audits reviewed and assessed a licensee's implementation of the Code's harm minimisation measures along with the policy and procedures used by the licensee. This enhanced audit approach is consistent with the recommendations of the ACT Auditor-General's report on *Monitoring and Minimising Harm Caused by Problem Gambling in the ACT* released in April 2012.

Breaches Detected

The Commission identified a total of 218 breaches of the legislation (compared to 204 last year) including 151 breaches of the *Gaming Machine Act 2004*:

- 19 related to the failure to comply with a condition of the licence as required by section 39;
- 1 related to the failure to comply with a requirement for the issue of the licence as required by section 39A;
- 9 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;
- 9 related to the failure to keep a copy of the schedule to the licence at the licensed premises as required under section 42;
- 5 related to the failure to operate a gaming machine in accordance with the licensee's rules and control procedures as required under section 43;
- 4 related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- 14 related to the failure to display signage indicating the percentage payout as required under section 48;
- 2 related to the failure to comply with the Code of Practice as required by section 50;
- 3 related to the failure of the licensee to keep full and separate accounts of amounts taken from gaming machines in a way that allows them to be conveniently and properly audited as required by section 52;
- 12 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);
- 20 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;
- 3 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);
- 1 related to the failure of the licensee to provide a written notice to the Commission that there had been a change in control procedures as required by section 97(2);
- 5 related to the failure to comply with the sealing of computer cabinets in a gaming machine as required under section 123(1);
- 7 related to the access of a gaming machine by a person who was not authorised as required by section 128;

- 6 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);
- 18 related to the failure to display an approved gambling warning notice on each gaming machine as required under section 151(2)(a);
- 3 related to the failure to display an approved warning notice at each entrance to the gaming area as required by section 151(2)(b);
- 1 related to the failure to submit audited accounts for the gaming machines within 6 months of the end of the licensee's financial year as required by section 158;
- 4 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); and
- 5 related to the failure to pay the problem gambling assistance fund levy on the 7th day of the month as required by section 163A(5).

There were 8 breaches of the *Gaming Machine Regulation 2004* (compared to 2 last year) in relation to gaming machine licensees:

- 1 related to the failure of a licensee to ensure that gaming machines were not operated during the period described by section 71; and
- 7 related to the failure of a licensee to ensure that high-denomination note acceptors were not operated as required by section 75.

There were 49 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (compared to 27 last year) in relation to gaming machine licensees:

- 1 related to the failure of a licensee to advise the Commission of details of a change of gambling contact officer as required by section 11(2);
- 17 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);
- 5 related to the failure to ensure that written exclusion procedures had been prepared as required by section 1.17(1);
- 1 related to the failure to adhere to cash payment limits as required by section 1.23(1);
- 3 related to the failure to pay non-cash gaming machine winnings within 3 days as required by section 1.23A;
- 2 related to the failure to display signage as required by section 1.25(1);
- 4 related to the failure to make information available to patrons as required under section 1.25(3);
- 5 related to the failure to ensure that the correct time was displayed prominently within the facility as required by section 1.26;
- 3 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; and
- 8 related to the failure to meet the requirements for promotions and inducements as required by section 1.30.

There were also 10 breaches of the *Lotteries Act 1964* detected (compared to 14 last year) during audits of gaming machine venues:

- 3 related to the conduct of a lottery other than an approved or exempt lottery as required by section 8(1);
- 4 related to the failure to comply with the approved conditions of a lottery, pursuant to section 8(2); and
- 3 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 three venues 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 71(4) and 128(1) of the Act and resulted in the licensee of each venue being issued with a reprimand.
- Following the receipt of a complaint an investigation was conducted into staff members at a venue providing gambling services without having completed an approved training program in contravention of section 1.4(1)(a) of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code). This investigation revealed breaches of sections 39, 43 and 50 of the Act and section 1.4(1)(a) of the Code. The investigation resulted in the suspension of the licensee's gaming machine licence for a period of 3 days.
- Following the receipt of a complaint an investigation was conducted into a patron not receiving the non-cash proportion of gaming machine winnings within 3 days of the event at a venue in contravention of section 1.23A(1) of the Code. This investigation revealed a breach of section 1.23A(1) of the Code and section 50 of the Act and resulted in a written warning to the licensee.
- An investigation was conducted into a licensee operating a number of gaming machines with a high-denomination note acceptor in contravention of section 75 of the *Gaming Machine Regulation 2004* (the Regulation). This investigation revealed breaches of section 75 of the Regulation and resulted in a written warning to the licensee. In addition, all gaming machine licensees were visited with checks undertaken to ensure that there were no further occurrences of this contravention at other venues.
- An investigation was conducted into a licensee operating gaming machines outside the hours required by section 71 of the *Gaming Machine Regulation 2004*. This resulted in a written warning to the licensee and a check of all licensees that were open on that day.

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.

The Commission finalised disciplinary action against 6 licensees for 13 breaches of the legislation during the reporting period. This compares to action being taken against 9 licensees for 15 breaches last year. The following table summarises these disciplinary matters.

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
Rokbard Pty Ltd T/A O'Neill's Irish Pub	161(3)	Failure to pay monthly tax by due date (May 2012)	Reprimand with direction to submit updated control procedures and suspension of gaming machine licence for 7 days
	163A(5)	Failure to pay PGAF levy by due date (May 2012)	
Eastlake Football Club Ltd – Eastlake Football Club	71	Unauthorised person making entries in machine access registers	Reprimand
	128	Unauthorised person accessing gaming machines	
Eastlake Football Club Ltd – Calwell Club	71	Unauthorised person making entries in machine access registers	Reprimand
	128	Unauthorised person accessing gaming machines	
Eastlake Football Club Ltd – Sports Club Kaleen	71	Unauthorised person making entries in machine access registers	Reprimand
	128	Unauthorised person accessing gaming machines	
Schwartz Family Co Pty Ltd ATF The Schwartz Family Trust T/A Mercure Canberra	161(3)	Failure to pay monthly tax by due date (November 2012)	Suspension of gaming machine licence for 7 days
	163A(5)	Failure to pay PGAF levy by due date (November 2012)	
Rokbard Pty Ltd T/A O'Neill's Irish Pub	161(3)	Failure to pay monthly tax by due date (November 2012)	Suspension of gaming machine licence for 14 days
Italo Australian Club (ACT) Limited	39	Failure to comply with a condition of a licence in respect of section 50: - 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	Suspension of gaming machine licence for 3 days
	43	Failure to operate gaming machines in accordance with the licensee's rules and control procedures (a condition of a licence)	

One disciplinary matter which was ongoing at the end of the previous financial year has now been completed. This matter concerned a licensee's failure to pay the monthly gaming machine tax and the PGAF levy by the due date.

Appeals Against Disciplinary Penalties

A Commission decision to take disciplinary action against a licensee for failing to meet the requirements of sections 21(f) and (g) of the *Gaming Machine Act 2004* during the previous reporting period was reviewed by the ACT Civil and Administrative Appeals Tribunal (ACAT) during this reporting period. In

August 2012 the Commission's decision was set aside by ACAT following the removal of the ground for disciplinary action as the licensee restructured its finances and obtained an audit opinion that was no longer adverse.

Gaming Machine Related Complaints

The Commission received eight gaming machine related complaints during the reporting period. Five complaints were unsubstantiated, two were substantiated and one is ongoing at the end of the 2012-13 reporting period.

Contact Officer: Mr Bruce Waugh, telephone 6207 0359.

Community Contributions

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

All gaming machine licensees are required to:

- record each community contribution made by the licensee, stating the entity to which, and the purpose for which, each contribution was made and the amount or value of the contribution; and
- within 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 2011-12 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 2011-12 report records a total of \$12.9 million in club community contributions from \$102.0 million in net gaming machine revenue, the contributions being 12.64 per cent of the net gaming machine revenue. \$8.0 million or 61.87 per cent of contributions was provided to sport and recreation.

By comparison, in 2010-11 a total of \$11.6 million was contributed to the community from net gaming machine revenue of \$100.9 million, the contributions being 11.49 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 2011-12 amounted to a total of \$9,393 of which \$3,184 was allocated to sport and recreation (33.9 per cent of total contributions). In 2010-11 total contributions from Hotels/Taverns was \$18,653.

Contact Officer: Mr James Mullan, telephone 6207 0359.

INTERACTIVE GAMING REGULATION

In 2012-13 there were no interactive gaming service providers licensed in the Territory.

Contact Officer: Ms Luceille Yeomans, telephone 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 ACT is approved by the Commission under the *Lotteries Act 1964* and the *Pool Betting Act 1964*. Any variation in the way these products are operated also requires the approval of the Commission.

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 ACT.

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 ACT 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 ACT residents are eligible to win. 5,415 permits were issued in 2012-13 (compared to 5,761 last year), as shown in the table below.

Type of Approval	Amount
Trade Promotion Lotteries	4,931
Raffles	460
Housie	13
Other	11
Total	5,415

A further 712 lottery amendment applications were approved in the reporting period.

Contact Officer: Mr James Mullan, telephone 6207 0359.

Compliance Audits of Lottery Providers

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

During the reporting period a total of 60 audits were conducted on lottery and pool betting providers inclusive of 11 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 a total of 37 breaches (compared to 30 last year) of the *Lotteries Act 1964*:

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

The Commission's audit program detected 3 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* in relation to the conduct of lotteries:

- 2 breaches 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); and
- 1 breach related to the failure to make information available to patrons as required under section 1.25(3).

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

Lotteries Related Complaints Received

The Commission received 8 lotteries related complaints during the reporting period. Four complaints were substantiated while four were not.

Contact Officer: Mr Bruce Waugh, telephone 6207 0359.

RACING AND WAGERING REGULATION

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

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

Race Bookmaking Operations

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

Type of Commission Activity	Number
New Race Bookmaking Licence	0
Renewed Race Bookmaking Licence	5
New Race Bookmaker's Agents Licence	0
Renewed Race Bookmaker's Agents Licence	5
Total current Race Bookmaking Licences as at 30 June 2013	13
Total current Race Bookmaker's Agents Licences as at 30 June 2013	10

Sports Bookmaking Operations

During the year under review, the Commission received a number of inquiries in relation to setting up sports bookmaking activities in the ACT, however no formal applications were received. In addition, in terms of licensing activity, probity investigations associated with the suitability requirements of the *Race and Sports Bookmaking Act 2001* were conducted in relation to applications for sports bookmaker's agent licences and applications are summarised below.

Type of Commission Activity	Number
New Sports Bookmaking Licence	0
Renewed 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 2013	2
Total current Sports Bookmaker's Agents Licences as at 30 June 2013	0

During the year under review, ACT Government-owned wagering provider ACTTAB Ltd finalised the implementation in November 2012 of a significant infrastructure replacement program involving the staged upgrade and replacement of its various wagering platforms throughout its retail network. The Commission has been closely involved with the approval of the implementation of the various phases of the replacement program which involved the integration of sports bookmaking and Keno products into its wagering system.

Documentation relating to ACTTAB Ltd's harm minimisation and other operational procedures associated with the implementation of the wagering infrastructure replacement program, previously endorsed by the Commission, was revised by ACTTAB and submitted to the Commission for endorsement. The revised documentation was endorsed by the Commission in March 2013.

The Commission also conducted a probity investigation as a consequence of ACTTAB Ltd changing its sports bookmaking service provider in November 2012 from Centrebet Ltd to TABCorp Wagering Manager (Vic) Pty Ltd (an affiliate of TABCorp Holdings Ltd). No adverse findings in terms of the suitability requirements of the *Race and Sports Bookmaking Act 2001* were revealed during the investigation.

Judicial proceedings associated with the voluntary liquidation of sports bookmaking licensee Sports Alive Pty Ltd outlined in the 2011-12 report were concluded in March 2013. The judgement of the Supreme Court of Victoria determined that the moneys held by the licensee were not held on trust for betting clients and, accordingly, found that residual funds were available for distribution by the liquidator. The Commission participated in the Court hearings to ensure that the views of Sports Alive customer account holders were appropriately represented and that the Directors of Sports Alive were held accountable for their actions.

Sports Bookmaker, Networks Pty Ltd, following a request from the Commission in 2011-12, finalised the restructuring of its finances to the Commission's satisfaction during the reporting period.

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

Racing

As outlined in previous reports, the Commission has been responsible since 1 March 2010 for the collection and distribution of fees associated with the race field information charge and related functions as required by the *Racing Act 1999*. These functions continued until 1 March 2013 at which time the bulk of responsibilities connected with the race field information charge were transferred to the ACT racing clubs following a legislative amendment (see details below).

During the year under review, up until 1 March 2013, the Commission issued two new approvals to use ACT race field information, while six approvals were surrendered to the Commission. The following table summarises activity in this area:

Type of Commission Activity	Number
New approvals to use ACT Race Field Information issued to 1 March 2013	2
Total current ACT Race Field Information approvals as at 30 June 2013	49
Approval to use ACT Race Field Information surrendered by applicant	6

Legislative Amendment

Following presentation to the Legislative Assembly in November 2012 and subsequent enactment in February 2013, the *Racing Amendment Act 2013* was commenced on 1 March 2013. In essence the legislative amendments to the Racing Act transfer the functions and responsibilities relating to the race field information charge to the ACT racing clubs, as previously mentioned. Importantly, the basis for calculating the charge was changed by the race clubs from a regime based on an approval holder's relevant net revenue to one based exclusively on turnover.

Under the transitional arrangements associated with the amendments to racing legislation, the Commission continued to collect the race field information charge on behalf of the racing clubs until 30 June 2013. It is anticipated that the Commission's involvement with the scheme will be concluded by the end of August 2013 when race field information returns from approval holders for June 2013 are processed and related fees forwarded to the racing clubs.

Race Field Information Fund

In accordance with section 61U of the Racing Act 1999 the Commission maintains the Race Field Information Fund to provide for the collection and distribution of race field information charges.

The disbursement of funds (including GST) to the ACT Racing industry and the 5 per cent administration fee retained by the Commission for the reporting period 1 July 2012 to 30 June 2013 is as follows:

Entity	Amount \$
Canberra Racing Club	1,429,522
Canberra Harness Racing Club	224,179
Canberra Greyhound Racing Club	337,607
Commission Administration Fee	104,670
Total	2,095,978

This compares to a total of \$1,883,691 for 2011-12.

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 ACT's racing industry. The Commission participated in the deliberations of the

National Racing Integrity Advisory Group, a national body consisting of industry and government regulators with racing integrity responsibilities.

Contact Officer: Mr Gavan Desmond, telephone 6207 0359.

Compliance Audits of Racing and Wagering Licensees

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

Breaches Detected

The Commission identified 1 breach of the *Race and Sports Bookmaking Act 2001*. This related to a failure to comply with a direction made under section 22.

The Commission's audit program also detected 2 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* in respect of operating wagering licensees:

- 1 breach related to the failure to adhere to cash payment limits as required by section 1.23(1); and
- 1 breach 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.

No breaches of 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* details of which are provided here for completeness.

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

Sports Bookmaker Complaints

The Commission did not receive any complaints in relation to sports bookmakers.

Race Bookmaker Complaints

The Commission did not receive any complaints in relation to race bookmakers.

ACTTAB Related Complaints

The Commission did not receive any complaints in relation to ACTTAB.

UNLAWFUL GAMING

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

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 ACT must apply in writing for approval (further information is available from the Commission directly or via its website).

In 2012-13, the Commission received four *Applications for Approval to Conduct a Game*. Of the four applications, one application was approved, two applications were withdrawn and another was unable to meet the approval criteria and was therefore discontinued. No applications were received in 2011-12.

COMPLAINTS SUMMARY

Summary of Complaints Concerning Gambling Providers

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.

In accordance with section 31(3) of the Control Act the Commission must provide a summary of complaints received during the year. To this end complaints received by the Commission (as detailed in previous sections) can be summarised as follows for the reporting period.

Gambling Provider	Received	Substantiated	Not substantiated	Ongoing	Incapable of Determination	Withdrawn
Casino	5	1	3	0	0	1
Gaming Machines	8	2	5	1	0	0
Lotteries	8	4	4	0	0	0
Racing and Wagering	0	0	0	0	0	0
Unlawful Games	0	0	0	0	0	0
Total	21	7	12	1	0	1

There was one ongoing complaint at the end of the 2012-13 reporting period.

Liquidation of Sports Bookmaker Sports Alive Pty Ltd

Former sports bookmaker, Sports Alive Pty Ltd, entered voluntary liquidation in August 2011. During the reporting period the Commission, as represented by the ACT Government Solicitor, continued to ensure that the interest of Sports Alive account holders were represented in the liquidation process and that the Directors of Sports Alive were held accountable for their actions. To this end the Commission sought judicial clarification of the distribution of monies held in term deposits ie. whether the remaining monies are to be provided to betting account holders or whether they are used for Liquidator fees and general creditors. A hearing was held in the Supreme Court of Victoria on 24 and 31 October 2012 before Justice Robson. The Court found that the monies held in the term deposits were not segregated monies or held on trust for the account holders. Therefore the term deposit monies were to be treated as general funds in the liquidation to be distributed in accordance with priority provisions of *The Corporations Act 2001*.

The ACT Ombudsman finalised its investigation into the complaints made by Sports Alive account holders following the liquidation by the company. The ACT Ombudsman found that the Commission had "reasonably and properly regulated Sports Alive". A request has been made by an account holder to the ACT Ombudsman for a review of this decision. The Commission has continued to assist the Ombudsman's Office with their internal review of this matter which was still ongoing at the end of the reporting period.

Contact Officer: Mr Bruce Waugh, telephone 6207 0359.

A.9.2 LEGISLATIVE REVIEWS

The Commission initiates its own policy and legislative reviews in accordance with its functions under the *Gambling and Racing Control Act 1999* as well as assisting other agencies with technical advice on gaming related legislative amendments and other policy matters.

The Commission continued its review of the *Gambling and Racing Control (Code of Practice) Regulation 2002* which was commenced in the previous reporting period. The conduct of this review was supported by the recommendations contained in the April 2012 Auditor-General's report on *Monitoring and Minimising Harm Caused by Problem Gambling in the ACT*.

As part of the Commission's review of the Code, a Discussion Paper was circulated for 6 weeks in early October 2012. Issues raised in submissions were considered by the Commission and informed the development of a Draft Policy Paper and its recommendations. The Draft Policy Paper on the review of the Code of Practice was circulated for stakeholder and community comment for a further 6 week period in March 2013. Further consultation was conducted following the receipt of submissions and this was being concluded at the end of the reporting period.

A.9.3 LEGISLATIVE AMENDMENTS

The Commission provided assistance to the Economic Development Directorate in preparation of the legislative amendments to the *Gaming Machine Act 2004* during the reporting period.

The *Gaming Machine Amendment Act 2012* in broad terms provided for the introduction of a gaming machine reallocation scheme through various licence amendments, provided for in-principle approvals for new or amended licences when the applicant was intending to purchase land for a new club site, provided for a target number of 4,000 machines in the Territory and introduced a maximum cash withdrawal from ATMs located in gaming venues. These amendments commenced in September 2012 other than the ATM restrictions which will have a delayed start.

The *Gaming Machine Amendment Act 2012 (No 2)* commenced in November 2012 and provided some technical changes to the previous amendment Act. The *Gaming Machine Act 2004* was also amended by the *Gaming Machine Amendment Act 2013* which was introduced by an Executive Assembly member and made changes to Section 69 of the Act to provide that a gaming machine cannot have an audio device fitted unless it was to assist the person with a hearing impairment. These amendments commenced in March 2013.

The Commission also assisted the Economic Development Directorate with the *Racing Amendment Act 2013* to provide for the ACT race clubs to administer their race fields information scheme rather than being administered by the Commission. These amendments commenced in March 2013 and amongst other things allows the racing clubs to set their own charges for use of their race field information.

Contact Officer: Ms Luceille Yeomans, telephone 6207 0359.

A.9.4 MONITORING & RESEARCH

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

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

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

ANU Centre for Gambling Research

The Centre finalised one research project during the reporting period. The project, titled Beliefs and Knowledge About Gambling Amongst High-intensity Players of Gaming Machines, considered the signs and symptoms of problem gambling amongst people who gamble and their attitudes to other gamblers.

Two other research proposals were commenced in the reporting period. It is anticipated that these will be finalised in 2013-14 and are titled:

- Stigma and Help-seeking for Gambling Problems; and
- Expenditure on Gambling Activities.

Gambling Research Australia

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

GRA published one report during 2012-13, titled Gambling and Co-Morbid Disorders. The study provides an analysis of the temporal relationship between problem gambling and other co-occurring disorders, a description of the extent of these and how they may predict the development or presence of problem gambling.

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

- Interactive Gambling;
- EGM Jackpots;
- Responsible Gambling Environments: validation of in-venue problem gambling indicators;
- Responsible Gambling Environments: in-venue signage;
- Efficacy of gambler self help strategies; and
- The use of social media in gambling.

These research projects are scheduled to be finalised in the next 12 – 24 months.

Contact Officer: Ms Luceille Yeomans, telephone 6207 0359.

INTER-JURISDICTIONAL COLLABORATION

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

- the Australasian Casino and Gaming Regulators' Chief Executive Officers' Forum;
- the Regulators' Responsible Gambling Working Party;
- Gambling Research Australia;
- the Select Council on Gambling Reform;
- the Select Council on Gambling Reform Senior Officials' Working Group; and
- the Gaming Machine National Standard Working Party;

Australasian Casino and Gaming Regulators' Chief Executive Officers' Forum

The Chief Executive Officers (CEOs) of the gambling regulatory agencies in Australia and New Zealand meet twice 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 CEOs met in Melbourne during December 2012 and again in Adelaide in June 2013. The Commission's Chief Executive Officer attended both of these meetings.

Regulators' Responsible Gambling Working Party (RRGWP)

The RRGWP did not meet during the reporting period. Jurisdictions agreed to disband the working party as many aspects of its role now fall within Gambling Research Australia's activities and the various specialised groups that have been established within a number of jurisdictions.

Gambling Research Australia

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

At the MCG meeting held on 25 July 2008 Ministers agreed-in-principle to a second five year term for Gambling Research Australia (GRA) and agreed to extend the period of the Memorandum of Understanding to 30 June 2009, as a temporary measure, to enable GRA to execute its research agenda. The Memorandum of Understanding was subsequently amended to provide for a new program from July 2009 until July 2014. During the reporting period the ACT participated in five meetings of the GRA.

Select Council on Gambling Reform & the Select Council on Gambling Senior Officials' Working Group

The Council of Australian Government's Select Council on Gambling Reform (the Select Council) was established in 2010 to develop a national response to the findings and recommendations of the 2010 Productivity Commission Report on Gambling (the Select Council has replaced the Ministerial Council on Gambling). More information about the role and structure of the Select Council is available at http://www.fahcsia.gov.au/sa/gamblingdrugs/progserv/problemgambling/Pages/coag_gambling_reform.aspx.

The Select Council's most recent meeting was held on 27 May 2011 which agreed to:

- take action to reduce and control the promotion of live odds during sports coverage;
- support the required infrastructure for pre-commitment technology in all jurisdictions, to be available to all players in all venues;

- further consider the implementation of dynamic warning and cost of play displays for poker machines once results from the trial being led by the Australian Government and facilitated by the Queensland Government become available; and
- continue to work together on the issue of ATM withdrawals.

Senior officials met on several occasions after the May 2011 Ministerial meeting to progress matters. However, in January 2012 the Prime Minister announced that the Gillard-Wilkie agreement on gambling reform had ceased and that Commonwealth legislation would be developed on gambling reforms. In addition, a trial of pre-commitment technology would be conducted in the ACT.

The Federal Government's *Gambling Reform Act 2012* was passed in December 2012 and provides a number of national commitments relating to gaming machine pre-commitment systems and restrictions on ATM cash withdrawals at gaming machine venues. The Commission, along with officers of the Economic Development Directorate, are liaising with Federal Government officials regarding the implementation of the national reforms in the Territory.

In relation to the proposed trial of pre-commitment technology in the ACT, while an initial offer was made by the Federal Government further negotiations were halted by ClubsACT until after the 2013 Federal election. The ACT Government had advised the Federal Government that it would support a trial in the ACT if the local industry was in agreement and it did not cost the ACT Government.

Gaming Machine National Standard Working Party

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

Australian Lottery Regulators' Working Group

The Australian Lottery Regulators' Working Group did not meet during the reporting period. Jurisdictions agreed to wind up the working group as a stand-alone body and expand the terms of reference for the Gaming Machine National Standards Working Party to incorporate national lottery standards matters.

Art Unions, Raffles and Trade Promotion Lottery Working Party

This working party did not meet during the reporting period. Jurisdictions agreed to disband the working party until such time as policy changes in jurisdictions warranted it being re-constituted.

A.9.5 EDUCATION PREVENTION AND SUPPORT

The Commission provides education, prevention and support services, mainly through projects delivered through the Problem Gambling Assistance Fund. This section meets the requirements of section 163C of the *Gaming Machine Act 2004* in reporting the outcomes of the operations of the Problem Gambling Assistance Fund.

Problem Gambling Assistance Fund

In December 2010, the ACT Legislative Assembly passed amendments to the *Gaming Machine Act 2004* to establish the Problem Gambling Assistance Fund commencing on 1 July 2011. Revenue for the Fund is sourced from a 0.6 per cent levy on gaming machine licensees' Gross Gaming Revenue and contributions on a voluntary basis from ACTTAB and Casino Canberra Limited. The amounts paid into the Fund are outlined in the table below.

Problem Gambling Assistance Fund Receipts 2012-2013

Licensee	Amount \$	Licensee	Amount \$
ACT Rugby Union Club	621	Harmonie German Club	2,391
Ainslie Group		Hellenic Club Group	
– Ainslie Football and Social Club	45,682	– Hellenic Club in the City	6,929
– Canberra City Bowling Club	654	– Hellenic Club of Canberra	69,908
– Gungahlin Lakes Golf & Comm Club	55,235	Italo Australian Club	3,282
Australian Croatian Club	79	Magpies Group	
Austrian Australian Club	717	– Magpies Belconnen Golf Club	1,507
Belconnen Bowling Club	588	– Magpies City Club	2,691
Belconnen Soccer Group		– Magpies Sports Club	15,669
– Belconnen Soccer Club - Hawker	12,018	Mawson Club	32,523
– Belconnen Soccer Club - McKellar	14,057	Murrumbidgee Country Club	871
Canberra Bowling Club	464	National Press Club	358
Canberra Club (The)	1,243	Spanish Australian Club Incorporated	65
Canberra Deakin Football Club	4,438	Tennis ACT	204
Canberra Highland Society & Burns Club	14,808	Tuggeranong Rugby Union Group	
Canberra Irish Club Limited	3,461	– Chisholm Sports Club	31,605
Canberra Labor Group		– Lanyon Valley Rugby Union & Amateur Sports Club	29,751
– Canberra Labor Club	98,244	– Town Centre Sports Club	44,343
– City Labor Club	18,589	– Tuggeranong Valley Rugby Union & Amateur Sports Club	50,441
– Ginninderra Labor Club	26,844	West Deakin Hellenic Bowling Club ^①	89
– Weston Creek Labor Club	9,994	Woden Tradesmens Union Club	23,015
Canberra Racing Club	18	Yowani Country Club	2,101
Canberra Raiders Group		Sub Total - Clubs	1,059,549
– Braddon Club (The) ^①	2,638		
– Raiders Gungahlin	51,002	Civic Pub	409
– Tuggeranong Valley Leagues Club ^①	670	Fyshwick Tavern	733
– Raiders Belconnen	35,639	Kambah Inn	515
– Raiders Weston	23,141	Kingston Hotel	397
Canberra Southern Cross Group		Moby Dick's Tavern	129
– Southern Cross Club	82,575	Mercure Canberra	198
– Southern Cross Club - Jamison	25,403	O'Neills Irish Pub	446
– Southern Cross Club - Kaleen ^①	1,843	PJ O'Reilly's Tuggeranong Irish Pub	256
– Southern Cross Club – Tuggeranong	52,897	Statesman Hotel Motel	216
– Southern Cross Club - Turner	2,266	Wood Duck Inn	0
– Southern Cross Club - Yacht Club	998	Sub Total – Hotels/Taverns	3,299
Canberra Tradesmens Union Club	91,935		
Eastlake Group		Casino Canberra	45,455
– Calwell Club	25,768	ACTTAB	45,455
– Eastlake Football Club	23,677	Sub Total - Others	90,910
– Sports Club Kaleen	13,451		
Federal Golf Club	149	TOTAL ^②	1,153,758

^① No longer a licensee at 30 June 2013.

^② Total income to the Problem Gambling Assistance Fund does not include \$20,161 in bank interest.

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.

ACT Gambling and Racing Commission administers the Fund, including providing for the ACT Gambling Counselling and Support Service operated by Mission Australia under a three year contract. The service, which commenced on 1 July 2011, seeks to assist people presenting with gambling problems, including their family or friends, through counselling. One-on-one counselling and group sessions are available. Financial counselling and referrals to other support services in the ACT are also provided which aims to assist clients who may be experiencing difficulties in other aspects of their life. The service seeks proactive involvement with stakeholders in an attempt to prevent or curb problem gambling before it causes harm.

Access to Mission's services is via the National Gambling Helpline on 1800 858 858.

In the second year of service, Mission Australia conducted 601 counselling sessions for people with gambling related issues, 14 counselling sessions for the family or friends of gamblers and 130 financial counselling sessions.

Mission Australia has also been engaging with stakeholders to provide information on the service they offer, develop networks and encourage referrals to the service. This includes networking and professional training opportunities for Gambling Contact Officers, engaging students of tertiary institutions during 'O week', establishing a north side outreach program in Belconnen, networking with referral agencies and other stakeholders including developing a Memorandum of Understanding with OzHelp Foundation, a community based mental health support organisation with a focus on suicide prevention in industry workplaces.

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

The Advisory Committee is comprised of representatives from Government, the industry and ACTCOSS. The Committee held four meetings in the period to discuss, and make recommendations on, various projects presented for consideration.

In making decisions on projects under the Fund, Commission members, 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 a cross-section of applied and academic projects. This ensures that some immediate benefits are achieved, some concrete outcomes are obtained and the ground work is undertaken to inform or improve our knowledge about problem gambling issues.

The following table outlines those projects approved by the Commission along with each project's desired outcome and progress at 30 June 2013.

Problem Gambling Assistance Fund – Projects and Funding as at 30 June 2013

Project Name	Outcomes	Progress	Funds Committed (excluding GST)	Funds Spent in 2012-13 (excluding GST)	Recipient of funds
ACT Gambling Counselling and Support Service	<ul style="list-style-type: none"> People experiencing problems with gambling, including families and friends, have access to professional gambling counselling and support. The Service also provides 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 pro-active approach to community education and early intervention. 	<p>Following the conduct of a public tender process, Mission Australia was selected.</p> <p>Mission Australia commenced the delivery of the Service on 1 July 2011, for a 3 year period.</p>	\$2,147,409	\$650,730	Mission Australia for the provision of gambling counselling and support services.
Training for Non-Gambling Specific Community Sector Workers	Community Sector Workers in the ACT have increased skills to assist their clients who have problems with gambling.	81 participants have completed this training during the reporting period.	\$40,000	<p>\$16,694</p> <p>\$304</p> <p>\$936</p>	<p>The Association of Children's Welfare Agencies Inc. For the provision of training.</p> <p>Canberra Institute of Technology for room hire.</p> <p>Gambling and Racing Commission for reimbursement of refreshments.</p>

Project Name	Outcomes	Progress	Funds Committed (excluding GST)	Funds Spent in 2012-13 (excluding GST)	Recipient of funds
Gambling Help Online	Residents of the ACT have 24/7 access to online problem gambling counselling and support.	The Minister for Racing and Gaming signed a new MOU for the continuation of the service for 2012-2015.	\$28,418	\$6,951	Department of Justice, Victoria for ACT's share of the MOU 2012-15.
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 important harm minimisation measure. 	<p>Phase 1 incorporated the development of a business requirement statement and was completed in October 2012.</p> <p>Phase 2 involves the development of the database, which has progressed to user acceptance testing at the end of the reporting period.</p>	<p>Phase 1 \$90,000</p> <p>Phase 2 \$300,000</p>	<p>\$122</p> <p>\$52,921</p> <p>\$25,732</p> <p>\$10,494</p> <p>\$75,381</p>	<p>Gambling and Racing Commission for reimbursement of fact finding visit to Tasmanian Treasury.</p> <p>Payment to SS-ICT for project support phase 1.</p> <p>Payment to SS-ICT for project support phase 2.</p> <p>Gambling and Racing Commission for reimbursement of temporary contract staff for data input of existing ACT exclusions.</p> <p>Hammond Street Development for development of database.</p>

Project Name	Outcomes	Progress	Funds Committed (excluding GST)	Funds Spent in 2012-13 (excluding GST)	Recipient of funds
Upgrade of ACT's Problem Gambling website	ACT residents will have access to problem gambling support information that is dynamic in presentation and encourages use by key at-risk populations.	This project will develop an appropriate communication strategy which will be applied to an updated website. A brief outlining the scope of works will be informed by the outcomes of the Prevention Interventions for Problem Gambling research paper by the ANU, due early in the 2013-14 period.	\$40,000	nil	N/A
Research Project: Prevention Interventions for Problem Gambling	Prevention approaches used in other health and wellbeing problems that may potentially be effective in the problem gambling context will be identified.	This project was approved by the Commission on 19 June 2012. During the reporting period, the ANU Centre for Gambling Research continued with this research project and a draft report was provided to the Commission on 28 June 2013.	\$95,000	\$41,431	Australian National University Centre for Gambling Research for the conduct of identified research project.

Project Name	Outcomes	Progress	Funds Committed (excluding GST)	Funds Spent in 2012-13 (excluding GST)	Recipient of funds
In venue signage	Mounted sign for display in gambling venues identifying the generic phone number for the ACT Gambling Counselling and Support Service.	The project was approved by the Commission on 14 December 2012. Signs were received at the end of the reporting period and are currently being provided to all gambling venues for display.	\$12,000	\$10,740	Integrity Signs for the production of in venue signage.
TOTAL			\$2,370,827	\$892,436^①	

① Total expenditure from the Problem Gambling Assistance Fund does not include \$54 in bank fees.

EDUCATION AND PUBLIC AWARENESS INITIATIVES

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

The Commission also continues to distribute the following information and education brochures to gaming venues and service providers free of charge.

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

Responsible Gambling Awareness Week

Responsible Gambling Awareness Week (RGAW) is a national campaign conducted at a state level that is a partnership between government, industry and community groups for the promotion of responsible gambling.

The key objective of the week is to raise community awareness of the importance of responsible gambling at a personal, venue and community level. The Commission supported the initiatives by Mission Australia over this week, including attending information stalls at shopping centres across Canberra. Awareness of the campaign was also promoted through an advertisement in *The Canberra Times* which was published during that week.

Australian Online Gambling Counselling and Support Program

The Australian Online Gambling Counselling and Support Program was formally launched on 8 October 2009. The service – gamblinghelponline.org.au – operates 24 hours a day, seven days a week without charge to customers. All Australians now have online access to qualified gambling counsellors who can provide assistance through either live online counselling or email. Users also have the option to seek assistance anonymously or to register so they can keep a record of their discussions. During the reporting period the website nationally received 236,728 unique visitors and delivered 1,751 counselling sessions. There were 2,460 visitors from the ACT during the reporting period, representing 1.6% of visitors to the site.

This service is funded by all jurisdictions under a Memorandum of Understanding which was renewed in June 2012 for another three years. The Commission has been actively involved in the working group for this program and has participated in one teleconference held by the working group during the reporting period.

National Gambling Helpline 1800 Number

At the Ministerial Council on Gambling meeting on 25 July 2008 Ministers agreed to a single national 1800 gambling helpline which allows people to seek immediate help through a counsellor in their State or Territory by ringing one number wherever they are in Australia. The national number is 1800 858 858 and there were 290 calls received from the ACT over the period July 2012 - June 2013. The Commission has been incorporating the 1800 number into its published material as they are reviewed and/or reprinted and continues to work with industry to ensure that the number is promoted and used consistently throughout the ACT.

Calls made by ACT residents to the National Gambling Helpline are taken by Mission Australia counsellors during business hours. Calls made by ACT residents after hours are diverted to counsellors at the NSW Government funded telephone crisis centre, Gambling Help.

A.10 TRIPLE BOTTOM LINE REPORT

The ACT Government is committed to initiatives to shape the development of a sustainable ACT, with sustainable ACT Government operations at its heart. The ACT Government framework for sustainability is laid out in *People, Place, Prosperity*, which was updated in 2009. *People, Place, Prosperity* uses a triple bottom line approach to sustainability, recognising the interdependence of social, economic and environmental well-being.

An essential element of sustainability is transparent reporting and the ACT Government over recent years has improved the accessibility of its performance information in the Budget papers. It is understood that the Chief Minister and Treasury Directorate is working on better practice performance and accountability reporting to further improve reporting on implementation of the *Canberra Plan: Towards Our Second Century* and its subsidiary plans.

The table below sets out performance in 2012-13 with 2011-12 included for comparison. The table gives the percentage change in the 2012-13 result relative to the 2011-12 result.

	INDICATOR	2011 12 Result	2012 13 Result	% Change
ECONOMIC	Employee Expenses			
	▪ Number of staff employed at 30 June (head count)	▪ 32	▪ 29	▪ (9.4)
	▪ Total employee expenditure (dollars)	▪ 2.523m	▪ 2.686m	▪ 6.5
	Operating Statement ^①			
	▪ Total expenditure (dollars)	▪ 4.680m	▪ 4.836m	▪ 3.3
	▪ Total own source revenue (dollars)	▪ 1.434m	▪ 1.391m	▪ (3.0)
	▪ Total net cost of services (dollars)	▪ (3.246m)	▪ (3.445m)	▪ (6.1)
	Economic Viability			
	▪ Total assets (dollars)	▪ 9.356m	▪ 8.036m	▪ (14.1)
	▪ Total liabilities (dollars)	▪ 5.818m	▪ 5.510m	▪ (5.3)
ENVIRONMENTAL	Transport			
	▪ Total number of fleet vehicles	▪ 2	▪ 2	▪ 0
	▪ Total transport fuel used (kilolitres)	▪ 0.720	▪ 0.940	▪ 30.6
	▪ Total direct greenhouse emissions of fleet (tonnes of CO2e)	▪ 1.78	▪ 2.32	▪ 30.3
	Energy Use			
	▪ Total office energy use (megajoules)	▪ 149,794	▪ 153,397	▪ 2.4
	▪ Office energy use per FTE (megajoules/FTE)	▪ 5,112	▪ 5,558	▪ 8.7
	▪ Office energy use per square metre (megajoules/m ²)	▪ 282	▪ 289	▪ 2.5
	Greenhouse Emissions			
	▪ Total office greenhouse emissions - direct & indirect (tonnes of CO2e)	▪ 26.48	▪ 36.32	▪ 37.2
	▪ Total office greenhouse emissions per FTE (tonnes of CO2e/FTE)	▪ 0.90	▪ 1.31	▪ 45.6
	▪ Total office greenhouse emissions per square metre (tonnes of CO2e/m ²)	▪ 0.05	▪ 0.06	▪ 20.0
	Water Consumption			
	▪ Total water use (kilolitres)	▪ 273	▪ 275	▪ 0.7
	▪ Office water use per FTE (kilolitres/FTE)	▪ 9.31	▪ 9.96	▪ 7.0
	▪ Office water use per square metre(kilolitres/m ²)	▪ 0.51	▪ 0.51	▪ 0
SOCIAL	Resource Efficiency and Waste			
	▪ Estimate of co-mingled office waste per FTE (litres)	▪ 1,016	▪ 985	▪ (3.1)
	▪ Estimate of paper recycled (litres)	▪ 10,373	▪ 12,398	▪ 19.5
	▪ Estimate of paper used (by reams) per FTE	▪ 20.5	▪ 20.1	▪ (2.0)
	The Diversity of Our Workforce			
	▪ Women (Female FTEs as % of total workforce)	▪ 46.9	▪ 44.8	▪ (4.5)
	▪ People with a disability (as % of total workforce)	▪ 0	▪ 0	▪ 0
	▪ Aboriginal and Torres Strait Islander people (as % of total workforce)	▪ 3.1	▪ 3.4	▪ 9.7
	▪ Staff with English as second language (as % of total workforce)	▪ 0	▪ 3.4	▪ -
	Staff Health and Wellbeing			
	▪ OH&S Incident Reports	▪ 1	▪ 3	▪ 200
	▪ Accepted claims for compensation	▪ 0	▪ 0	▪ 0
	▪ Staff receiving influenza vaccinations	▪ 13	▪ 14	▪ 7.7
	▪ Workstation assessments requested	▪ 6	▪ 4	▪ (33.3)

① Total figures do not include fees and taxation revenue received by the Commission and transferred to government.

SECTION B: CONSULTATION AND SCRUTINY REPORTING

B.1 COMMUNITY ENGAGEMENT

B.1.1 GAMBLING ADVISORY REFERENCE GROUP

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

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

- Dr Mark Doverty - ACT Gambling and Racing Commission (Chair);
- Mr Greg Jones - ACT Gambling and Racing Commission;
- Dr Roger Mauldon - ACT Churches Council;
- Ms Susan Helyar - ACT Council of Social Services;
- Mr Victor Marillanca - Canberra Multicultural Community Forum Incorporated;
- Mr Paul Flint - Council on the Ageing;
- Ms Cheryl O'Donnell - Mission Australia;
- Mr Brandt Johnson – Mission Australia; and
- Ms Jancye Winter - Office of Multicultural, Aboriginal & Torres Strait Islander Affairs.

Care Inc have also been invited to be a member of the Gambling Advisory Reference Group. This organisation received Commonwealth Government funding that commenced in the period to provide financial counselling to people in the ACT who may be experiencing harm from gambling activity.

B.1.2 PROBLEM GAMBLING ASSISTANCE FUND ADVISORY COMMITTEE

The Problem Gambling Assistance Fund Advisory Committee first met in February 2012 following the commencement of the Problem Gambling Assistance Fund in July 2011 (see section A.9.5).

The Advisory Committee includes representatives from ACT gambling providers, the community sector and ACT Government. The Committee provides advice to the Commission on projects that fall within the scope of the Fund that the Commission may consider approving and funding.

During the reporting period the Advisory Committee met on four occasions and comprised of the following representatives:

- Mr Greg Jones - ACT Gambling and Racing Commission;
- Ms Susan Helyar - ACT Council of Social Services;
- Ms Louize Glenn – ClubsACT;
- Ms Bernie Morris – Casino Canberra;
- Ms Mary Jane Lalliard – ACTTAB; and
- Ms Cathie Spicer – Community Services Directorate.

B.1.3 GAMBLING INDUSTRY CONSULTATIVE COMMITTEE

The Gambling Industry Consultative Committee first met in May 2013.

The Consultative Committee includes representatives from ACT gambling facilities, industry advocates and Government. The forum provides an opportunity for the Commission to communicate directly with the industry and facilitate the flow of information amongst members to ultimately assist Commission members in their deliberations.

During the reporting period the Consultative Committee met on two occasions and comprised of the following representatives:

- Mr John Haskins – ACT Gambling and Racing Commission (Chair)
- Dr Mark Doverty – ACT Gambling and Racing Commission (Deputy Chair);
- Ms Alice Tay – ACT Gambling and Racing Commission;
- Mr Greg Jones – ACT Gambling and Racing Commission;
- Ms Luceille Yeomans – ACT Gambling and Racing Commission;
- Mr Alex Ingham – ACT Gambling and Racing Commission;
- Mr Mark Kaleskee – Economic Development Directorate;
- Ms Louize Guiding – Economic Development Directorate;
- Mr Jeff House – ClubsACT;
- Ms Bernie Morris – Casino Canberra;
- Mr Tony Curtis – ACTTAB;
- Mr Brad Watts – Australian Hotels Association;
- Mr Michael Capezio – Australian Hotels Association;
- Mr Arthur Roufogalis – Canberra Labor Club Group;
- Mr Simon Hawkins – Raiders Group;
- Mr Patrick Keogh – Vikings Group;
- Mr Jeremy Wilcox – ACT Rugby Union Club and Vice President ClubsACT;
- Mr Rob Docker – Canberra Tradesmen’s Union Club; and
- Mr Nelson Blencowe – Betworks.

ACT Gambling and Racing Commission Community Consultation

No.	Project Title	Project Description	Consultation Process	Group/Individuals Consulted	No. of Submissions or Participants	Outcome
1.	Gambling Advisory Reference Group	As recommended by the Needs Analysis Survey Report, the Advisory Reference Group was formed to assist the Commission in developing and implementing targeted strategies to address problem gambling in the ACT.	Meetings.	Key stakeholders from a broad cross section of organisations in the ACT are represented on the reference group.	10 participants.	To provide objective outcomes and advice to the Commission on behalf of peak ACT community services organisations on issues related to problem gambling.
2.	Problem Gambling Assistance Fund Advisory Committee	The Problem Gambling Assistance Fund receives monies from gaming machine licensees, Casino Canberra and ACTTAB. The monies must be spent on projects that will assist with alleviating or informing about problem gambling such as counselling, research, advertising and self help programs.	Meetings.	Key stakeholders include representatives of the contributors to the Fund, the community sector and the ACT Government.	6 participants.	To provide advice to the Commission on possible projects that fall within the scope of the Fund that the Commission may consider approving and funding.
3.	Gambling Industry Consultative Committee	The Gambling Industry Consultative Committee was established in May 2013 following suggestions from the clubs and hotel industry raised during the review of the Code of Practice.	Meetings.	Key stakeholders include representatives of club industry, hotels association, ClubsACT, ACTTAB, Casino Canberra and Betworks	19 participants.	To enhance the exchange of information between the Commission and gambling industries.

B.2 INTERNAL AND EXTERNAL SCRUTINY

The Commission has a number of processes in place to ensure that a high level of internal scrutiny exists. This includes an internal audit program which was developed through identifying areas of possible risk, fraud and corruption within the Commission's operations.

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

During the previous reporting period the Commission was subject to one formal review by the ACT Ombudsman which was finalised during the current reporting period. This review related to the collapse of Sports Alive in the 2011-12 financial year and the failure of that sports bookmaker to maintain segregated patron accounts as required by the rules covering the operations of sports bookmakers. The ACT Ombudsman found that the Commission had "reasonably and properly regulated Sports Alive".

One account holder has requested that the ACT Ombudsman review their decision – this is ongoing at the end of the reporting period.

There were no internal audit reports that were either initiated by the Commission or the Auditor-General's Office finalised during the reporting period.

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

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 2012-13 Financial Report and Statement of Performance with no significant matters identified during the process (see sections A.6 and A.7).

The recommendations of the Auditor-General's Report Number 1 of 2012 – Monitoring and Minimising Harm Caused by Problem Gambling in the ACT (April 2012) continue to be implemented by the Commission. The recommendations of this report along with the Government's response and implementation plan were covered in detail in the Commission's 2011-12 annual report.

B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

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

Report No	Title	Date Presented
1	Select Committee on Estimates 2013-2014 Appropriation Bill 2012-2013 and Appropriation (Office of the Legislative Assembly) Bill 2012-2013	14 August 2012

The above report identified one recommendation that was relevant to the Commission as indicated below:

Recommendation	Government Response	Agency Implementation
Recommendation 89 The Committee recommends that the ACT Gambling and Racing Commission, as part of its review of the Code of Practice, consider excluding staff of newsagents from the general restriction on staff of gambling facilities taking part in gambling at those facilities.	Agreed. This is currently being undertaken as part of the Gambling and Racing Commission's review of the Code of Practice.	The Commission is currently finalising its review into the Code of Practice. Extensive consultation has occurred with industry stakeholders. The final report to the Minister is due before the end of 2013.

Report No	Title	Date Presented
3	Standing Committee on Public Accounts Report on Annual and Financial Reports 2011-2012	6 June 2013

Report No	Title	Date Presented
-	Select Committee on Estimates 2013-2014 Appropriation Bill 2013-2014 and Appropriation (Office of the Legislative Assembly) Bill 2013-2014	Ongoing

Report No	Title	Date Presented
24	Standing Committee on Public Accounts - Enquiry into the Gaming Machine Amendment Bill 2011	7 June 2012

The Government response to the above report No. 24 was tabled on 22 August 2012 and has therefore been included in this reporting period for completeness.

Economic Development Directorate has primary carriage of this matter. Where directly relevant to the ACT Gambling and Racing Commission the appropriate recommendation and implementation update has been included in the following table:

Recommendation	Government Response	Agency Implementation
<p>Recommendation 11</p> <p>The Committee recommends that the ACT Government should implement programs to address the root cause of problem gambling.</p>	<p>Agreed</p> <p>The Government does not believe that there is a single, identifiable ‘root cause’ of problem gambling, as such, and notes that the Standing Committee did not itself identify such a ‘root cause’ in its report. In the absence of an identified ‘root cause’, the distinction made by the Standing Committee with ‘symptoms’ is unclear.</p> <p>That said, the Government does fund ongoing local research into gambling behaviours and bases its policy on both this research and relevant research conducted elsewhere. This body of research typically gives consideration to the social and psychological characteristics of problem gamblers.</p> <p>To the extent that the ‘root cause’ of problem gambling might, in general terms, be seen as social disadvantage or exclusion, it is salient that the Government funds a very wide range of programs to address these issues. As noted in its response to the Auditor-General’s recent report on <i>Monitoring and minimising problem gambling harm in the ACT</i>, the Government is also committed to a whole-of-government approach to the issue and will ensure further coordination across the activities of relevant agencies.</p>	<p>The ACT Gambling and Racing Commission (the Commission) is required to monitor and research the social effects of gambling and problem gambling and this is achieved through a range of activities and strategies including its research agreement with the Australian National University that establishes the Centre for Gambling Research. The Commission is also part of Gambling Research Australia which is a national research body established by a previous Minister Council to undertake relevant research tasks on a national basis.</p> <p>Problem Gambling awareness material and relevant links are available on the ACT Gambling and Racing Commission website and its specific Problem Gambling website. This material is updated regularly.</p> <p>The Problem Gambling Assistance Fund which is administered by the Commission provides assistance in relation to problem gambling such as the provision of counselling and support services undertaken under contract by Mission Australia, education and research activities.</p>
<p>Recommendation 12</p> <p>The Committee recommends that the ACT Gambling and Racing Commission should amend the ACT Gambling Code of Practice to detail that the practice of reserving gaming machines should be regulated.</p>	<p>Noted</p> <p>The Gambling and Racing Commission has commenced a review of the mandatory Code of Practice. The review will cover the issue of reserving gaming machines, and will consider research evidence as well as stakeholder submissions.</p>	<p>The Commission is currently finalising its review into the Code of Practice. Extensive consultation has occurred with industry stakeholders. The final report to the Minister is due before the end of 2013.</p>

Recommendation	Government Response	Agency Implementation
<p>Recommendation 13</p> <p>The Committee recommends that the online exclusion database be in operation by 31 December 2012.</p>	<p><i>Agreed-in-principle</i></p> <p>The Gambling and Racing Commission has commenced development work on introducing an online exclusion database. Indications are that the IT work required and the consequent amendments to the Code of Practice to implement the requirements will see the database commencing operation during 2013.</p>	<p>Following an investigation into the options for providing an on-line exclusion database, the Commission conducted a public tender process for the development of a database specifically designed for the ACT's needs. This database is close to being finalised and it is expected that it will be operational later in 2013 following licensee training.</p>
<p>Recommendation 14</p> <p>The Committee recommends that the ACT Government take into account the findings and recommendations of the ACT Auditor-General as detailed in Auditor-General's Report No. 1 <i>Monitoring and minimising harm caused by problem gambling</i>, as part of any proposed amendments to the <i>Gaming Machine Act 2004</i>.</p>	<p><i>Agreed</i></p> <p>The Government's response to this report of the Auditor-General has been sent to the Standing Committee. The Government agreed with all of the Auditor-General's recommendations excepting the suggestion that a fixed timetable be set for the achievement of a 4000 EGM cap. The Government's view is that a prescriptive timetable to achieve the reduced cap would be unduly disruptive to the club sector. Specifically, such disruption may potentially affect the services enjoyed by members of clubs, and the community activities that clubs currently support.</p>	<p>Economic development Directorate have responsibility for gaming and racing policy and as such has carriage for the implementation of this recommendation.</p> <p>Tin relation to implementing the actual recommendations of the Auditor-General's report, the Commission has commenced (or finalised) work on implementing all of the recommendations other than Recommendation 9 which the Government did not agree to.</p>

Recommendation	Government Response	Agency Implementation
<p>Recommendation 15</p> <p>The Committee recommends that the Minister for Gaming and Racing make a statement to the ACT Legislative Assembly by the first sitting week in August 2012 detailing: i) what outcomes were achieved over the ACT Government's ten year agreement with the Australian National University's Centre for Gambling Research; ii) the terms of the new agreement; and iii) the status on the research chair of gambling studies position.</p>	<p>Agreed</p> <p>The research agreement between the Gambling and Racing Commission and ANU, which commenced in 2002, was reviewed and amended in 2009. A statement will be made by the Minister for Gaming and Racing to the Assembly in August 2012 as requested outlining the research achievements over the last decade, the broad terms of the revised research agreement and the on-going nature of the position of the Director of the Centre for Gambling Research.</p>	<p>A statement responding to this recommendation was tabled in the Legislation Assembly on 22 August 2012.</p>

B.4 LEGISLATION REPORT

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

- *Betting (ACTTAB Limited) Act 1964;*
- *Casino Control Act 2006;*
- *Gambling and Racing Control Act 1999;*
- *Gaming Machine Act 2004;*
- *Interactive Gambling Act 1998;*
- *Lotteries Act 1964;*
- *Pool Betting Act 1964;*
- *Race and Sports Bookmaking Act 2001;*
- *Racing Act 1999;* and
- *Unlawful Gambling Act 2009.*

SECTION C: LEGISLATIVE AND POLICY BASED REPORTING

C.1 RISK MANAGEMENT AND INTERNAL AUDIT

The Commission has developed a comprehensive risk management assessment of all its key processes and procedures and produced a Risk Management Plan in accordance with *AS/NZS 31000:2009 – Risk Management – Principles and Guidelines*. The Commission monitors this Risk Management Plan on a regular basis to ensure its currency and also to identify emerging risks as they occur.

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.

The Commission's Internal Audit and Risk Committee was established in March 2013 and oversees, on behalf of the Board, the Commission's governance, risk, compliance and internal control environments and provides assurance as to their effectiveness. Prior to March 2013, this function was undertaken by the Commission Board.

The Commission's Internal Audit and Risk Committee Charter was agreed to in May 2013 and will be reviewed on an annual basis. The appointment of the Committee's members and Chairperson is for a period of two years in order to provide reasonable continuity of activity.

The Commission has an Internal Audit Program which has been developed after identifying areas of potential operational and financial risk. Some in-depth Internal Audits can be outsourced to members of the ACT Government Internal Audit Services Panel. High level desktop reviews will also be conducted by the Committee. As the Committee has only recently been established there was no internal audits or reviews conducted by the Committee during the reporting period.

One Internal Audit and Risk Committee meeting was held during the reporting period. The number of meetings attended by Committee members and observers is as follows:

Name of Member	Position	Duration	Meetings Attended
Mark Rolfe	Chair	Part Year	1
Alice Tay	Member	Part Year	1
Greg Jones	Observer	Part Year	1
Ron Leonard	Secretariat/Observer	Part Year	1

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

C.2 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 which is reviewed every two years. The Commission reviewed and amended its Fraud and Corruption Prevention Plan in June 2012 to ensure that it remains current and relevant.

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 1994* 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.

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

C.3 PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 1994* provides a mechanism for people to report wrongdoing in the ACT Public Sector. This action is referred to as making a public interest disclosure or less formally, 'whistle blowing'. An information sheet is available which provides information on making a public interest disclosure, including:

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

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

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

C.4 FREEDOM OF INFORMATION

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

- making available to the public information about the operations of agencies and, in particular, ensuring that rules and practices affecting members of the public in their dealings with agencies are readily available to persons affected by those rules and practices; and
- creating a general right of access to information in documentary form in the possession of Ministers and agencies, limited only by exceptions and exemptions necessary for the protection of essential public interests and the private and business affairs of persons in respect of whom information is collected and held by agencies.

SECTION 7 STATEMENT

Section 7 of the FOI Act requires the Commission to prepare and publish a statement outlining organisation functions and powers, public participation in decision making powers, the categories of documents available and facilities available for access to documents. This statement is current at 30 June 2013.

Functions and Powers

The Commission's functions and powers are to:

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

Included in these broad functions are the following:

- regulating, monitoring, researching and approving gaming activity;
- monitoring and researching the social effects of gambling and of problem gambling;
- providing education and counselling services;
- investigating and conducting enquiries into:
 - issues relating to gaming and racing; and
 - activities of people in relation to gaming and racing, for the purpose of exercising functions under a gaming law;
- engaging in community consultation as appropriate;
- reviewing legislation and policies relating to gaming and racing; and
- collecting taxes, fees and fines imposed under the gaming laws.

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

Public Participation in Decision-making

Arrangements for public participation in decision-making include:

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

Categories of Documents

The Commission holds the following basic categories of documents.

- Documents available on request and without charge - documents within this category include publications produced by the Commission such as its Annual Report and Statement of Intent. These are available from public counters and libraries throughout the Territory and may be available on the ACT Government's Internet Home Page and the Commission's website.
- Other kinds of documents that may be available under the FOI Act:
 - general files including internal, interdepartmental and public documents, minutes of Commission meetings, policy statements, financial and staffing estimates;

- diaries, rosters, work sheets;
- program and policy files;
- records held on microfilm, computer or paper in connection with specialised divisional functions;
- photographs, videos and films;
- financial and accounting records;
- files on applicants and clients;
- records of government including the machinery of government;
- leases and deeds of agreement; and
- brochures.

Facilities for Access

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

The physical location of the ACT Gambling and Racing Commission is Level 2 of the Canberra Nara Centre, (Cnr Constitution Avenue & London Circuit), Canberra City ACT 2601. Several bus stops are close to the Nara Centre in London Circuit. Short-term car parking is located opposite the Centre and a disabled car park space is available in Nangari Street alongside the Centre.

All FOI enquiries for the Commission should be directed to:

The FOI Coordinator

ACT Gambling and Racing Commission

PO Box 214

CIVIC SQUARE ACT 2608

or via email at grc@act.gov.au or by telephoning the Commission directly on (02) 6207 0359.

SECTION 8 STATEMENT

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

REQUEST FOR INFORMATION (SECTION 79 STATEMENT)

Section 79 of the FOI Act requires the Commission to include in the Annual Report details of applications made to the Commission during the year. Access decisions in relation to FOI requests are categorised in terms of: full release, partial release, entirely exempt, technical refusal (no documents located), still being processed, transferred and withdrawn.

There were no requests received by the Commission under the FOI Act during the reporting period.

C.5 INTERNAL ACCOUNTABILITY

The ACT Gambling and Racing Commission's governing board consists of four non-executive members made up of the Chairperson, Deputy Chairperson and two ordinary members. The Commission's Chief Executive Officer is also a member of the governing board. Non-executive board members' appointments up until 22 November 2011 were approved by the Minister for Economic Development. Appointments from 23 November 2011 to 9 November 2012 were approved by the Minister for Gaming and Racing. Appointments from 10 November 2012 onwards 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*. 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 Dr Mark Doverty has ensured compliance with this criterion.

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

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

The following table summarises Commission members' attendance at meetings from July 2012 to June 2013. During the reporting period Mr Malcolm Gray's appointment expired on 17 December 2012 and Mr John Haskins was appointed to the role on 18 December 2012.

ACT Gambling and Racing Commission Members' Attendance at Meetings - July 2012 to June 2013

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Malcolm Gray	✓	✓	✓	✓	✓	✓						
John Haskins							✓	✓	✓	✓	✓	✓
Mark Rolfe	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
Mark Doverty	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alice Tay	-	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓
Greg Jones	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

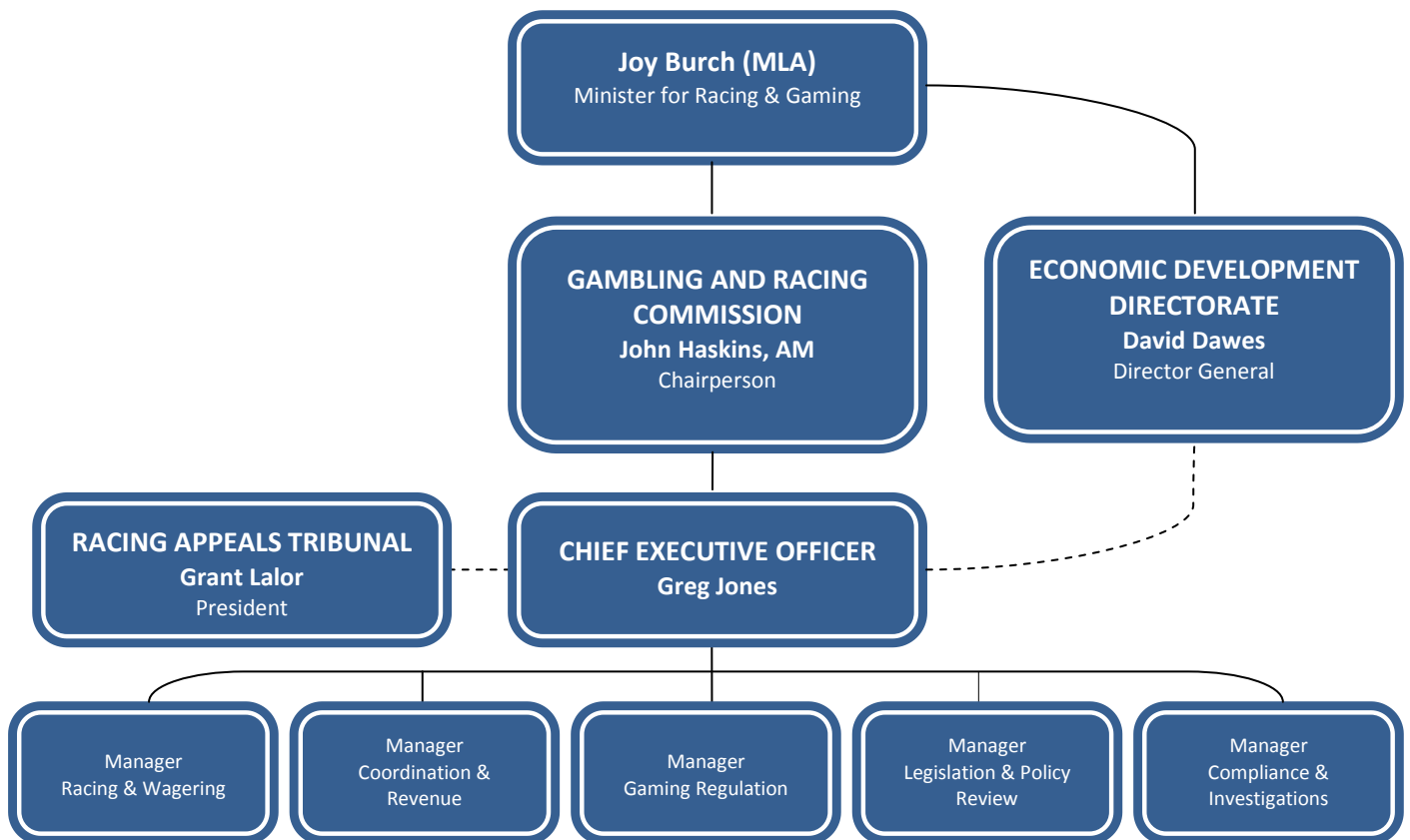
The ACT Remuneration Tribunal, in accordance with the *Remuneration Tribunal Act 1995*, determines the remuneration of the executive and non-executive Commission members.

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

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

Name	Qualifications	Experience
<p>Mr John Haskins, AM</p> <p>Chairperson</p> <p>(Appointed from 18 December 2012 for a period of three years)</p>		<p>John Haskins retired from full-time work in 1998. For over 20 years prior to his retirement, John 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.</p> <p>John 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. John currently sits on several other boards including EPIC, CBUS and UTA.</p>
<p>Mr Mark Rolfe</p> <p>Deputy Chairperson & Member</p> <p>(Appointed from 18 September 2011 for a period of three years)</p>	<p>Certificate IV in Assessment and Workplace Training</p>	<p>Mr Rolfe is the Managing Director of Rolfe Property Services, a company specialising in cleaning and associated services in the ACT. He is the President of the Building Service Contractors Association of Australia (ACT Division) and a member of the Canberra Business Council's Small Business Taskforce. Over the past decade, Mr Rolfe has also involved himself in the fostering of the local Small Business industry, serving on the Committee of the Micro and Home Business Association and lecturing in Small Business practice at the Canberra Institute of Technology and CIT Solutions. Mr Rolfe is a qualified workplace assessor and holds a Certificate IV in Assessment and Workplace Training.</p>
<p>Ms Alice Tay</p> <p>Member</p> <p>(Appointed 19 June 2012 for a period of three years)</p>	<p>LLB</p>	<p>Ms Tay is a partner with the legal firm Meyer Vandenberg and leads their Corporate Advisory and Commercial Division. She specialises in Commercial Law & Contracting; Corporations Law & Corporate Governance; Information & Communications Technology & Intellectual Property.</p>
<p>Dr Mark Doverty</p> <p>Member</p> <p>(Appointed from 12 September 2011 for a period of three years)</p>	<p>Ph.D, M.Sc., MBA, B.Sc., BA, Grad Dip Marketing, Grad Dip Counselling</p>	<p>Dr Doverty has a clinical background with specialist qualifications in the field of addictive behaviours. Dr Doverty has considerable experience in the treatment of people with alcohol, drug and gambling problems. He has previously been employed at clinician, manager and director levels in health services in Australia and overseas.</p>
<p>Mr Greg Jones</p> <p>Chief Executive Officer</p> <p>Member</p> <p>(Appointed CEO on 1 November 2010 for a period of five years)</p>	<p>BA (Hons)</p>	<p>Mr Jones was initially appointed as the Commission's Chief Executive Officer on 1 November 2005. He brings to the role extensive public sector experience including involvement with gaming regulation since 1993 incorporating 6 years as CEO and Chief Casino Inspector of the former ACT Casino Surveillance Authority. Mr Jones has an Honour's degree from ANU specialising in Economics and Psychology. Previous 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 Gambling Code of Practice which was the first mandatory Code of Practice covering all gambling licensees in any Australian jurisdiction.</p>

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



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

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

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

The Commission 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.

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

An internal audit program is prepared on a risk analysis basis and is implemented on behalf of the Commission by the Internal Audit and Risk Committee.

MANAGEMENT COMMITTEES

Name of Committee	Role of Committee	Membership
Internal Audit and Risk Committee (Further details are available in C.1 Risk Management and Internal Audit)	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 C.9 Workplace Health and Safety)	The Commission's Workplace Health and Safety Committee (WHSC) which forms part of EDD's Policy and Governance 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.

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

C.6 HUMAN RESOURCE PERFORMANCE

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

The Commission has in place an MOU with Economic Development Directorate's Human Resource (HR) Unit to provide strategic and technical HR support and advice to managers and staff of the Commission. The Unit performs a range of HR functions for the Commission whilst facilitating the provision of support services provided by Shared Services.

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

The Commission continued to promote workplace health and safety to ensure that the workplace culture provides a safe working environment. A key focus has been to improve staff awareness and understanding of health and safety roles and responsibilities and to engage with managers to establish and maintain an effective health and safety culture.

Health and wellbeing initiatives continue to be available to Commission staff to promote organisational resilience.

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.

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

C.7 STAFFING PROFILE

The Commission has the following staffing profile.

FTE and Headcount		
	Female	Male
FTE by Gender	12.0	15.6
Headcount by Gender	13.0	16.0
% of Workforce	44.8%	55.2%

Classifications			
Classification Group	Female	Male	Total
Executive Officers	0	1	1
Senior Officers	3	8	11
Administrative Officers	10	7	17
Total	13	16	29

Employment Category by Gender			
Employment Category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	9	14	23
Permanent Part-time	3	0	3
Temporary Full-time	1	1	2
Temporary Part-time	0	1	1
Total	13	16	29

Average length of service by Age Group by Gender										
Years	Pre-Baby Boomers		Baby Boomers		Generation X		Generation Y		Total	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
0 to 2 years	0	0	0	1	1	0	2	0	3	1
2 to 4 years	0	0	0	2	2	0	2	0	4	2
4 to 6 years	0	0	0	1	1	1	0	1	1	3
6 to 8 years	0	0	1	0	0	0	0	0	1	0
8 to 10 years	0	0	1	0	0	2	0	0	1	2
10 to 12 years	0	0	0	1	2	1	1	0	3	2
12 to 14 years	0	0	0	2	0	0	0	0	0	2
14+ years	0	1	0	2	0	1	0	0	0	4

Total Average Length of Service by Gender	
Gender	Average length of service
Female	5.3
Male	12.0
Total	9.0

Age Profile			
Age Group	Female	Male	Total
<20	0	0	0
20-24	2	0	2
25-29	2	1	3
30-34	3	1	4
35-39	1	1	2
40-44	2	0	2
45-49	2	4	6
50-54	1	4	5
55-59	0	3	3
60-64	0	1	1
65-69	0	1	1
70+	0	0	0

Agency Profile	
FTE	Headcount
27.6	29

Agency Profile by Employment Type		
Permanent	Temporary	Casual
26	3	0

Equity and Diversity Workplace Employment					
	A Aboriginal and/or Torres Strait Islander	B Culturally & Linguistically Diverse	C People with a disability	Employees who identified in A, B or C*	Women
Headcount	1	1	0	2	13
% of Total Staff	3.4%	3.4%	0	6.9%	44.8%

*NB: the figures in the above table are based on staff self disclosure.

C.8 LEARNING AND DEVELOPMENT

The Commission has continued to make learning and development a key priority during 2012-13. A summary of courses attended by Commission staff is outlined in the following table.

Learning & Development Initiative	Number of participants
Leading and Managing Teams	1
Minute Taking	1
Coaching Support for Job Applications and Interviews	1
Job Interview Skills	1
Information and Records Management	4
TRIM Power User and Ministerial Action Tracking	1
Respect, Equity & Diversity General Training	4
Respect, Equity & Diversity Managers' Training	1
Writing for Government	2
Senior First Aid Training	1
Health and Safety Representative Training	1
Information & Records Management Training	16
TRIM Training	3

The Commission continues to provide support and study assistance for staff who are interested in furthering their qualifications. During the reporting period two staff members received study assistance in relation to a Certificate IV in Business and Certificate III in Accounts Administration.

Two staff members are currently in the process of completing a Certificate IV in Government (Investigations).

The 2012-13 ACTPS Training Calendar was also utilised as part of the Commission's training and development scheme with 4 staff members attending ACTPS courses at a cost of \$1,281.

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 A.1.3 of this report.

C.9 WORKPLACE HEALTH AND SAFETY

INJURY PREVENTION

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's Work Safety Policy has been documented and disseminated to all staff.

The Commission remains committed to maintaining the health and safety of its employees and has two trained work safety representatives. Workplace Health and Safety is managed in accordance with the provisions of the *Work Health and Safety Act 2011* (WHS Act). The Commission also has two qualified first aid officers and fire wardens who are provided with ongoing training throughout the year. Staff information sessions promoting emergency evacuation procedures were held for all Commission staff along with regular emergency evacuation drills. The Commission also participates on the Economic Development Directorate's Policy and Governance Workplace Health and Safety Committee.

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; 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 of the WHS Act. 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 work safety representatives and given opportunities at staff meetings to raise issues associated with workplace health and safety.

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

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

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

The Commission is an approved workplace as part of the Asthma Friendly Workplace program with Asthma First Aid Awareness sessions run and kits provided to First Aid officers.

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

- continued provision of a carer/nursing mothers room and staff room;
- employee assistance program;
- exercise classes, yoga and pilates;
- eyesight testing;
- flexible working arrangements;
- flu vaccination program;
- seated massages;
- Health and Wellbeing Reimbursement Initiative supporting the financial reimbursement to employees who undertook, in their own time, health promotion activities;
- support for staff volunteering as blood donors where the absence from the workplace is without loss of pay; and
- a Wednesday Walking Group for staff.

C.10 WORKPLACE RELATIONS

Commission staff are employed under the *Public Sector Management Act 1994* and are covered by the Economic Development Portfolio Enterprise Agreement 2011-13.

Description	No. of Individual SEAs/AWAs	No. of Group SEAs/AWAs	Total employees covered by Group SEAs/AWAs	TOTAL
Number of SEAs as at 30 June 2012	0	0	0	0
Number of SEAs entered into during period	0	0	0	0
Number of SEAs terminated during period	0	0	0	0
The number of SEAs providing for privately plated vehicles as at 30 June 2013	0	0	0	0
Number of SEAs for employees who have transferred from AWAs during period	0	0	0	0
Number of AWAs as at 30 June 2013	2 ¹	0	0	2
Number of AWAs terminated/lapsed (including formal termination and those that have lapsed due to staff departures)	0	0	0	0

1. The duration of the two AWAs nominally expired on 30 September 2003.

	Classification Range	Remuneration as at 30 June 2012
Individual and Group SEAs	N/A	N/A
AWAs (includes AWAs ceased during period)	SOGB - SOGA	\$126,008 - \$129,945

C.11 HUMAN RIGHTS ACT 2004

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

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

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

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

C.12 STRATEGIC BUSHFIRE MANAGEMENT PLAN (SBMP)

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

C.13 STRATEGIC ASSET MANAGEMENT

The only assets managed by the ACT Gambling and Racing 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 \$550,000 for the period with no significant assets added or removed from its register.

The Commission occupies leased accommodation at Level 2 of the Canberra Nara Centre, Canberra City. Total occupied office floor space, including a percentage for common areas is 531m². This space accommodates 33 employees which equates to 16.1m² per person.

C.14 CAPITAL WORKS

The Commission had no projects included in the Capital Works Program for 2012-13.

C.15 GOVERNMENT CONTRACTING

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

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

External Sources of Labour and Services

Name	Description and Reason for Contract	Financial Year Expenditure (excluding GST)	Procurement Type (eg open tender, select tender, single select or standing offer arrangements)	Reason for use of Select Tender (where applicable)	Date Contract Let
Problem Gambling Support Service	To engage a suitably qualified and experienced organisation to provide problem gambling support services to the ACT community	\$650,730	Open tender	N/A	June 2011
Research into Gambling	Gambling and Problem Gambling Research Projects	\$172,628	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
Gamblers' Exclusion Database	Development and support of a ACT wide Gamblers' Exclusion database	\$75,381	SSICT Select Panel	N/A	December 2012

C.16 COMMUNITY GRANTS/ASSISTANCE/SPONSORSHIP

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

C.17 TERRITORY RECORDS

The Commission's Records Management Program is based on the *Territory Records Act 2002* and establishes a framework for ensuring responsible management of records and record keeping systems. The framework means that the Commission can effectively:

- provide evidence of decisions, authorisations and activities; and
- support business activities through the making, proper storage and retrieval of useable and reliable records, thus contributing to the efficiency and effectiveness of the Commission.

As part of the Records Management Program, the Commission has a Records Management Policy and a Procedures Manual. The Commission uses a Business Functional Thesaurus based on the Territory Version of the Keyword AAA and agency specific records disposal schedules.

The Commission's Records Management program has been approved by the Chief Executive Officer and incorporates a records disposal schedule for gambling and racing regulation as approved by the Director

of Territory Records. This notifiable instrument (NI 2004-476) can be viewed on the ACT Government's legislation website www.legislation.act.gov.au.

The Commission is working with Economic Development Directorate (EDD) to develop a Records Management Program for the EDD portfolio which incorporates the Commission. The Commission will adopt EDD's Records Management Plan once it has been completed.

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

In accordance with the Act the Commission (as part of the Economic Development Directorate) has an arrangement in place to preserve records containing information that allows people to establish links with their Aboriginal or Torres Strait Islander heritage. Whenever such a record is created, received or identified, the Commission will endorse the record with the notation '*File contains records with Aboriginal or Torres Strait Islander heritage information – Do Not Destroy*'. Commission employees are encouraged to attend records management training offered by CIT Solutions. This training provides employees with an understanding of record keeping requirements for the ACT Public Service, including complying with legislation. Standards, guidelines and advice issued by the Territory Records Office are available to all staff. The Commission's Record Manager also attends business unit meetings to discuss record management issues as required.

Record Disposal Schedule Name	Effective	Year and No.
Territory Records (Records Disposal Schedule - Gambling and Racing Regulation Records)	15 December 2004	NI 2004-476

C.18 COMMISSIONER FOR THE ENVIRONMENT

During the reporting period the Commission did not receive any requests from, nor provide assistance to, the Commissioner for the Environment in the preparation of the State of the Environment Report. The Commissioner did not carry out any investigations or make any recommendations in relation to the Commission's activities.

C.19 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

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

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

	Indicator as at 30 June	Unit	2011 2012		2012 2013	
Line	General		Office	Total	Office	Total
L1	Occupancy - office staff full-time equivalent	Number (FTE)	29.3	29.3	27.6	27.6
L2	Area office space - net lettable area	Square metres (m ²)	531	531	531	531
	Stationary Energy		Office①	Total②	Office①	Total②
L3	Electricity use	Kilowatt hours	41,609	71,833	42,610	66,513
L4	Renewable energy use (GreenPower + EDL land fill gases)	Kilowatt hours	16,760	16,760	8,522	8,522
L5	Percentage of renewable energy used (L4/L3 x 100)	Percentage	40%	23%	20%	12.8%
L6	Natural Gas use	Megajoules	0	135,760	0	108,708
L7*	Total energy use	Megajoules	149,794	394,359	153,397	348,158
L8	Energy intensity per FTE (L7/L1)	Megajoules/FTE	5,112	13,459	5,558	12,614
L9	Energy intensity per square metre (L7/L2)	Megajoules/m ²	282	742	289	656
	Transport Energy		Office	Total	Office	Total
L10	Total number of vehicles	Numeric	2	2	2	2
L11	Total vehicle kilometres travelled	Kilometres	8,948	8,948	11,016	11,016
L12	Transport fuel (Petrol)	Kilolitres	0.720	0.720	0.940	0.940
L16*	Total transport energy use	Gigajoules	24.62	24.62	32.15	32.15
	Water		Office	Total	Office	Total
L17	Water use	Kilolitres	0	273	0	275
	Intensities					
L18	Water use per office FTE (L17/L1)	Kilolitres/FTE	0	9.31	0	9.96
L19	Water use per square metre (L17/L2)	Kilolitres/m ²	0	0.51	0	0.51
	Resource Efficiency and Waste		Office	Total	Office	Total
L20	Reams of paper purchased	Reams	602	602	556	556
L21	Recycled content of paper purchased	Percentage	50	50	50	50
L22	Estimate of general waste **	Litres	29,770	29,770	27,196	27,196
L23	Estimate of comingled material recycled **	Litres	3,781	3,781	5,641	5,641
L24	Estimate of paper recycled **	Litres	10,373	10,373	12,398	12,398
L25	Estimate of organic material recycled **	Litres	2,884	2,884	3,717	3,717
	Greenhouse Gas Emissions		Office	Total	Office	Total
L26*	Total stationary energy greenhouse gas emissions (All Scopes)	Tonnes CO ₂ -e	26.48	67.57	36.32	68.91
L27*	Total transport greenhouse gas emissions (All Scopes)	Tonnes CO ₂ -e	1.78	1.78	2.32	2.32
	Intensities					
L28	Greenhouse gas emissions per person (L26/L1)	Tonnes CO ₂ -e FTE	0.90	2.31	1.31	2.49
L29	Greenhouse gas emissions per square metre (L26/L2)	Tonnes CO ₂ -e	0.05	0.13	0.06	0.13
L30	Transport greenhouse gas emissions per person (L27/L1)	Tonnes CO ₂ -e FTE	0.06	0.06	0.08	0.08

* = calculated with information entered into OSCAR

** = based on bins collected

① Stationary Energy use for 'Office' includes energy use in the Commission's tenancy only eg. lighting and power for office equipment.

② Stationary Energy use for 'Total' includes energy use in the Commission's tenancy and its share of energy used in the building as a whole including energy required for the running of the plant to heat/cool the building.

The Commission is incorporated in the Economic Development Directorate's Resource Management Plan which provides guidance on sustainability issues in the Directorate (and Commission) and includes an annual plan of activities to address management of water, electricity and gas consumption, waste production and recycling initiatives.

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

- lights out after office hours;
- purchasing of recycled stationery items where possible;
- reducing paper consumption via double sided printing/photocopying;
- use of the photocopier's scanning and email facility where appropriate; and
- provision of recycling services for paper, cardboard, organic material, comingled waste, toner cartridges, batteries, mobile phones and cameras.

During the reporting period the Commission achieved accreditation in the OfficeSmart sustainability program coordinated by the Environment and Sustainable Development Directorate.

In October 2012, the Commission, along with all other tenants of the leased accommodation received a NABERS tenancy efficiency rating of 5.5 stars.

Additionally, it is understood that major capital works to improve the energy efficiency of the building occupied by the Commission has been completed or is currently being undertaken by the property owners. The Commission has been advised that these works include:

- continued overhaul, upgrade and replacement to the heating, ventilation and cooling system;
- completed the replacement of the computerised Building Management System; and
- completed the replacement of lifts to make their operation more energy efficient.

C.20 CLIMATE CHANGE AND GREENHOUSE GAS REDUCTION POLICIES AND PROGRAMS

In undertaking the Commission's audit program, desk audits (such as on-line) are utilised where appropriate to reduce vehicle usage to ensure a cost effective approach while minimising the environmental impact. The Commission also utilises small four cylinder vehicles that are fuel efficient.

C.21 ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

To date it has not been necessary for the Commission to become specifically involved in any activities regarding identified strategic areas for action and strategic change indicators as stated in the 'Overcoming Indigenous Disadvantage Report'. However, as indicated in section A9, the Commission ensures that appropriate areas of expertise are engaged to maximise liaison with indigenous clients in relation to problem gambling issues.

C.22 ACT MULTICULTURAL STRATEGY 2010-2013

Part of the ACT Government's vision is to be recognised as a leader in multicultural affairs and human rights. The ACT is strengthened when people of multicultural backgrounds have equal access to opportunities for social, economic and political inclusion. This is achieved through protective laws, enabling policies and community connectedness.

The Commission can report on the following key focus areas of the Multicultural Strategy 2010-2013.

Languages

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

The Commission continues to provide support and study assistance for staff who are interested in furthering their skills and qualifications. This may include English or multilingual studies.

Older People & Aged Care, Intercultural Harmony and Religious Acceptance

Multicultural community groups throughout the Territory are invited to participate in all gambling related legislative reviews conducted by the Commission. Access to these reviews and other Commission activities is carefully considered and is covered in further detail under Section B.1 Community Engagement. Further, the Commission's Gambling Advisory Reference Group includes members of the Council on the Ageing, ACT Churches Council, the Canberra Multicultural Community Forum Incorporated and the Office of Multicultural, Aboriginal and Torres Strait Islander Affairs.

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

C.23 ACT STRATEGIC PLAN FOR POSITIVE AGEING 2010-2014

The ACT Strategic Plan for Positive Ageing 2010-2014: Towards an Age-Friendly City was developed by the ACT Government in partnership with the Ministerial Advisory Council on Ageing and is set within a framework of social inclusion. It aims to provide a blueprint for a coordinated approach across Government and the community to support positive ageing and an age-friendly city where older people are respected, valued and supported to actively participate.

During the reporting period the Commission has undertaken a range of activities to support the Plan. These include:

Information & Communication

The Commission provides gambling related information to all sectors of the community including the Territory's older citizens, in person, via print and television media and the internet. Copies of Commission reports and publications can be sourced from ACT Libraries or the Commission directly.

A variety of community groups throughout the Territory are invited to participate in all gambling-related legislative reviews conducted by the Commission. Access to these reviews and other Commission activities is carefully considered and is covered in further detail under Section B.1 Community Engagement. Further, the Commission's Gambling Advisory Reference Group includes members of the Council on the Ageing, ACT Churches Council, the Canberra Multicultural Community Forum Incorporated and the Office of Multicultural, Aboriginal and Torres Strait Islander Affairs.

Health & Wellbeing, Respect, Valuing & Safety, Work & Retirement

The Commission promotes safe and respectful relationships for its older workforce as well as good health and wellbeing. The Commission encourages its older members to participate in ACT Government promoted health checks and influenza vaccinations as well as retirement/superannuation planning seminars, all paid for by the Commission.

C.24 ACT WOMEN'S PLAN 2010-2015

The *ACT Women's Plan 2010-2015* is a strategic framework to assist the ACT Government work with the community to improve the status and lives of women and girls in the ACT. It continues the work of the *ACT Women's Plan 2004-2009* by outlining priority areas for women and girls based on principles of access, equity, participation and safety.

The Commission in continuing to work to improve the status of women has addressed the following key priority areas of the plan during the reporting period.

Responsive education, training and lifelong learning

Education and training is a key focus for all Commission staff especially for women returning to the workforce after raising a family.

Flexible workplaces

The Commission provides a number of facilities and conditions to support staff with family responsibilities including access to a dedicated carer's room and nursing mother's room both accredited with the Australian Breastfeeding Association. The Commission provides its staff members with a flexible workplace by offering part-time employment and school based hours of work along with paid maternity leave.

Leadership and decision making

A number of women hold management and senior supervisory positions within the Commission including a female member of the board.

Safe and respectful relationships, good health and wellbeing

The Commission promotes safe and respectful relationships for women as well as good health and wellbeing. The Commission's report on community contributions provided by gaming machine licensees highlights the legislative incentive scheme that encourages expenditure on women's sport.

C.25 MODEL LITIGANT GUIDELINES

The Commission's Chief Executive has the following procedures in place to ensure compliance with the Model Litigant Guidelines:

- all instructions in relation to disputes are reported directly to the Chief Executive;
- the Commission's legal services are provided by the ACTGSO which reviews instructions to ensure compliance with the guidelines. The Commission is able to rely upon the ACTGSO to identify those matters where a question arises as to compliance with the Model Litigant Guidelines and to address it or elevate it as appropriate; and
- all staff involved in claims procedures or other decisions which may at some point become the subject of litigation are informed of the guidelines and instructed to comply with them, referring any queries to the ACTGSO through the Chief Executive.

The Commission is not aware of any breaches of the Model Litigant Guidelines for the reporting period.

C.26 NOTICES OF NONCOMPLIANCE

During the Reporting period the Commission did not receive an infringement notice offence under the *Dangerous Substance Act 2004*.

C.27 PROPERTY CRIME REDUCTION

To date it has not been necessary for the Commission to become specifically involved in any activities regarding identified strategic areas for action and change indicators as stated in the '*ACT Property Crime Reduction Strategy 2012-15*'.

APPENDICES

ANNUAL REPORT OF THE RACING APPEALS TRIBUNAL

FUNCTIONS

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

Contact

Registrar of the Tribunal
Mr Gavan Desmond
Manager, Racing and Wagering
Gambling and Racing Commission
Phone: (02) 6207 0382
Fax: (02) 6207 7372

Members

The members of the Tribunal during 2012-13 were:

Mr Grant Lalor (President)
Mr John Kalokerinos (Deputy President)
Mr Phillip Drever
Mr Ted Quinlan
Ms Thena Kyprianou
Ms Dorothy Topfer

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

OPERATIONS

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

APPEALS LODGED WITH THE TRIBUNAL

Mr John Morrison and the Canberra Harness Racing Club Incorporated

On 21 December 2012 the driver of the horse “Bluechip Pyrennes” lodged an appeal against an eight week suspension of his harness driver’s licence in relation to a breach of rule 149(2) of the Racing Club’s Rules of Racing arising from an incident at the Canberra Harness Racing Club meeting held on 16 December 2012.

MATTERS HEARD BY THE TRIBUNAL

Mr John Morrison and the Canberra Harness Racing Club Incorporated

Tribunal Members:

Mr Grant Lalor (President)

Mr John Kalokerinos (Deputy President)

Ms Thena Kyprianou

Order of the Tribunal

The Tribunal held that the penalty of the Stewards should stand, effective from 16 December 2012 and further ordered that the Bond of \$500 be returned to Mr Morrison.

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GLOSSARY OF ABBREVIATIONS, ACRONYMS & TECHNICAL TERMS

ACAT	ACT Civil & Administrative Tribunal
ACTGSO	ACT Government Solicitor's Office
ACTPS	ACT Public Service
ANU	Australian National University
AWA	Australian Workplace Agreement
CALD	culturally and linguistically diverse
CEOs	Chief Executive Officers
COAG	Council of Australian Governments
Commission	ACT Gambling and Racing Commission
community contribution	expenditure by gaming machine licensees on eligible community contributions under the <i>Gaming Machine Act 2004</i>
compliance audits	audits undertaken to identify a licensee's compliance with the current gaming legislation
cross-border betting	race and sports betting in different jurisdictions
disciplinary action	a notice of reprimand, monetary penalty or suspension or cancellation of a gaming licence.
EGMs	Electronic Gaming Machines
FOI	Freedom of Information
GARG	Gambling Advisory Reference Group
GCO	Gambling Contact Officer
GRA	Gambling Research Australia
GST	Goods and Services Tax
HRA	<i>Human Rights Act 2004</i>
lottery	raffle, trade promotion, Keno, Housie etc under the Lotteries Act 1964
MCG	Ministerial Council on Gambling
MOU	Memorandum of Understanding
OSCAR	Online System for Comprehensive Activity Reporting
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
RGAW	Responsible Gambling Awareness Week
RRGWP	Regulators' Responsible Gambling Working Party
sports bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating sports bets
TABs	Totalisator Agency Boards