

GAMBLING AND RACING COMMISSION

ANNUAL REPORT 2011–2012



ACT GAMBLING AND RACING COMMISSION


ANNUAL REPORT 2011-2012

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Minister for Gaming and Racing
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 2012.

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 2011 to 30 June 2012 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 "Malcolm Gray".

Malcolm Gray
Chairperson
4 September 2012

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

Greg Jones
Chief Executive Officer
4 September 2012

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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 Doherty fulfils this role. Section 79 of the *Financial Management Act 1996* (FMA) provides for the appointment of a chairperson, deputy chairperson and section 80(4) of the FMA states that the Chief Executive Officer of an authority is a member of the governing board.

The membership at 30 June 2012 was:

Chairperson: Mr Malcolm Gray

Members: Mr Mark Rolfe (Deputy Chairperson)

Dr Mark Doherty

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 2011-2012.

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 2011-12 as outlined in its Statement of Performance (see section A.7 of this report). It also achieved its financial targets for 2011-12 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 \$1,220,462 which was \$924,462 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 commencement of the Problem Gambling Assistance Fund this year has greatly assisted the focus 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

The Problem Gambling Assistance Fund commenced on 1 July 2011 to assist alleviate the disadvantages that arise from 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 2011-12 was \$1,180,611.

The Fund is administered by the Commission with expenditure allocated to assist problem gamblers such as through the provision of counselling services, education or research. Expenditure decisions are made by the Commission after consulting with an advisory body consisting of representatives from Government, the industry and ACTCOSS.

Mission Australia provides gambling support services under contract to the Commission through the Fund. 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.

To date, other agreed expenditure from the Fund includes 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 and scoping funding to investigate the introduction of an electronic database to assist problem gamblers to self-exclude from gaming venues.

In mid-January 2012 the Prime Minister announced that the Federal Government did not have the numbers to pass the required legislation for mandatory pre-commitment on gaming machines and therefore the agreement with Mr Wilkie was revoked. The Prime Minister also announced at the same time that a trial of pre-commitment technology would be conducted in the ACT.

Negotiations between the Federal Government and the ACT club industry on the proposed trial of pre-commitment technology have been put on hold by the industry pending the outcome of the Federal Gambling Reform Bill which at the time of writing this report was yet to be tabled in Parliament.

The ACT Government has advised that it will support a trial if agreement between the Federal Government and the club industry can be reached and there is no direct cost to the ACT.

ACT licensed sports bookmaker, *Sports Alive Pty Ltd*, entered into voluntary liquidation on 26 August 2011. As *Sports Alive's* head office is in Victoria a liquidator based in Melbourne (Bent & Cogle Pty Ltd) was appointed.

The Commission's primary objective is to protect patron funds and to ensure that the directors of Sports Alive are held accountable for their actions. The Commission continues to work with the Liquidator on resolving the complex financial and legal issues involved with the case.

On 3 April 2012, the ACT Auditor-General forwarded to the Speaker of the Legislative Assembly a performance audit report titled *Monitoring and Minimising Harm Caused by Problem Gambling in the ACT*.

In general terms, the Auditor-General's report was positive with some areas for enhancement identified. It noted that 'the ACT has been and remains in the vanguard in initiating progressive policies and initiatives for minimising harm caused by problem gambling'.

The Auditor-General made nine recommendations with the Government agreeing to eight of these. The Commission has commenced work to implement all of the agreed recommendations.

In relation to racing and wagering, a recent High Court decision in NSW concluded that the NSW scheme to charge fees for using or publishing their race fields information based on turnover rather than profit was considered lawful. The implications of this decision are currently being considered by the Government in relation to its possible impact on the ACT's scheme. The Commission continues to administer the ACT's scheme by collecting the race fields information charges on behalf of the three ACT racing codes and forwards the relevant amounts (less a small administration charge) to the racing clubs.

The Commission continued to assist the Government and other agencies as requested with operational advice on the development of a scheme to enable the reallocation of gaming machines between venues and the review of the maximum number of machines in the Territory. The Government tabled a Bill in November 2011 to amend the *Gaming Machine Act 2004* to provide for a gaming machine reallocation scheme, a new maximum number of 4,000 machines in the Territory and maximum cash withdrawals from ATMs of \$250.

The Australian National University's (ANU) Centre for Gambling Research under an agreement with the Commission continues to produce high quality research. Further studies based on the outcomes of the 2009 prevalence study were completed during the period providing valuable information on help-seeking and uptake of support services as well as profiling problem gamblers. A new project was commenced to investigate the beliefs and knowledge held by high intensity players which will be used to assist our understanding of why people don't self identify as having gambling issues and where they self identify why they do not seek help. This research will be used to encourage early intervention for those that have a problem managing their gambling expenditure.

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 major 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 including hosting the Australasian Casino and Gaming Regulators Conference in Canberra in March 2012. 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 will be a significant focus during 2012-2013. The progress of the Federal Government's proposed *Gambling Reform Bill* will be monitored with great interest due to the potential impact on the workload of the Commission. 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 legislative changes in relation to the proposed amendments to the *Gaming Machine Act 2004*. An information seminar for licensees will be held if the amendments are passed to ensure that all aspects of the changes are understood and correctly applied.

In relation to racing and wagering, the Commission will continue to monitor changes to the race fields schemes that operate in other jurisdictions and will provide advice on any impacts or proposed changes to the ACT scheme.

The Commission will also assist where appropriate with the implementation of the accepted recommendations from the Independent Competition and Regulatory Commission report into the racing industry.

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.

The Commission will actively work with the Problem Gambling Assistance Fund Advisory Committee to identify worthwhile projects and ensure that proposed expenditure from the Problem Gambling Assistance Fund is appropriately considered. Any allocations made from the Fund will be in accordance with the requirements of the legislation and monitored for efficiency and effectiveness. In particular, development will continue on establishing an electronic database to assist persons to exclude themselves from gaming venues as part of managing their gambling expenditure.

The development of further targeted research projects with the Australian National University's (ANU) Centre for Gambling Research will continue. The research project on beliefs and knowledge of high intensity players that was commenced in 2011-12 will be finalised along with research looking at the role of social support in relation to high levels of gambling participation. 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 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 2012-13 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 will continue to actively seek objective input and advice from the ACT community, through key stakeholder engagements such as the Gambling Advisory Reference Group, on a range of issues related to problem gambling.

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

A.5 MANAGEMENT DISCUSSION & 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 and fees;
- interstate lotteries taxes (New South Wales, Victorian and Queensland 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

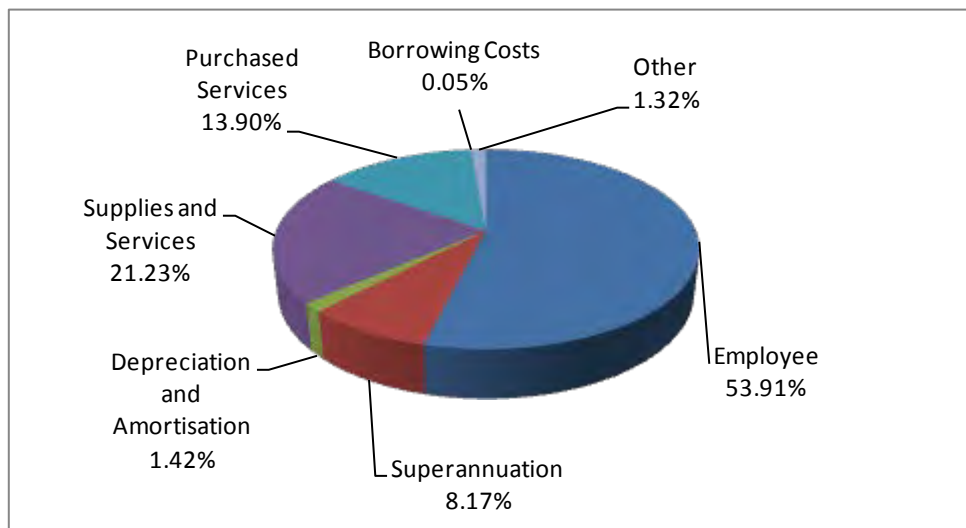
The following financial information is based on audited Financial Statements for 2010-11 and 2011-12 and the forward estimates contained in the 2011-2012 Budget Paper Number 4.

TOTAL EXPENDITURE

1. Components of Expenditure

Figure 1 indicates the components of the Commission's expenditure for 2011-12 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 **53.9 per cent** of ordinary activities or **\$2.523 million**.

Figure 1 - Components of Expenditure in 2011-12



2. Comparison to Budget

Expenditure

Total expenditure not including taxation revenue transferred to Government of **\$4.680 million** was **\$0.765 million**, or **14 per cent**, lower than the 2011-12 budget of **\$5.445 million**. An increase in other expenditure (**\$0.062 million**) was more than is offset by decreased:

- employee expenses (**\$0.245 million**) due to the time-lag in employing staff after resignations and several staff utilising part-time employment;
- supplies and services/purchased services expenditure (**\$0.533 million**) mainly due to lower expenditure from the Problem Gambling Assistance Fund while suitable projects were developed and approved;
- superannuation expense (**\$0.032 million**) due to the time-lag in employing staff after resignations and staff utilising part-time employment; and
- depreciation and amortisation (**\$0.017 million**) due to the Commission's new gaming machine database not being completed until September 2011.

3. Comparison to 2010-11 Actual Expenditure

Total expenditure not including taxation revenue transferred to Government was **\$1.071 million**, or **29.7 per cent**, higher than the 2010-11 actual result. A decrease in superannuation expenses (**\$0.022 million**) was more than offset by increased:

- employee expenses (**\$0.135 million**) mainly due to the commencement of a new enterprise bargaining agreement;
- supplies and services/purchased services expenditure (**\$0.840 million**) mainly due to the commencement of the Problem Gambling Assistance Fund, rent and related expenditure and increased research expenditure;
- depreciation and amortisation (**\$0.058 million**) due to the Commission's new gaming machine database becoming operational in September 2011; and
- other revenue (**\$0.060 million**) due to an allowance for an impairment loss as a result of the voluntary liquidation of one sports bookmaking licensee.

4. Future Trends

Expenditure is budgeted to increase in 2012-13 by **\$0.860 million** mainly due increased expenditure from the Problem Gambling Assistance Fund and a return to budgeted staffing levels.

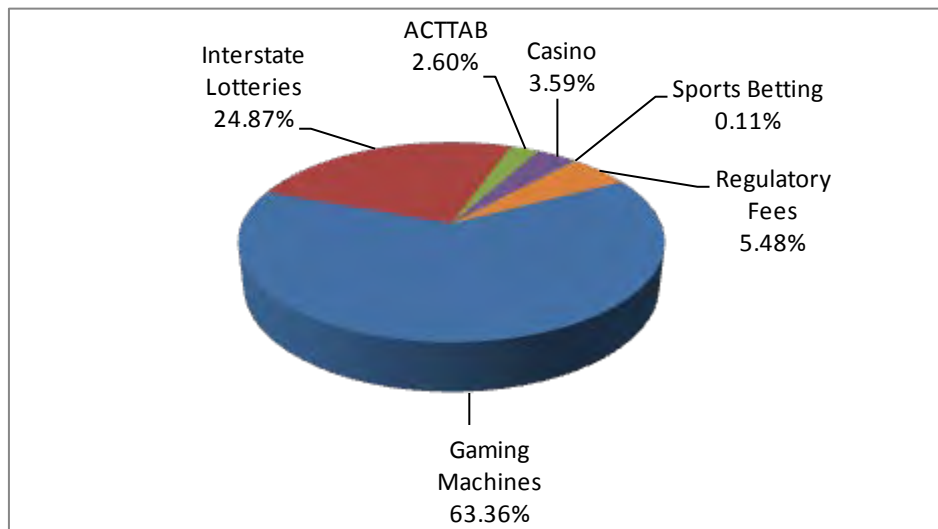
TOTAL INCOME

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 2011-12 appropriation payments from Government totalled **\$4.278 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 2011-12 funds received for the Problem Gambling Assistance Fund totalled **\$1.181 million**.

Figure 2 below indicates that for the financial year ended 30 June 2012 the Commission received **63.4 per cent** of its total gambling revenue of **\$35.714 million** from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2011-12



2. Comparison to Budget

Revenue

For the year ending 30 June 2012 gambling revenue was **\$56.367 million** which was **\$0.051 million** higher than the 2011-12 budget of **\$56.316 million**. Increased gaming machine revenue (**\$1.555 million**) due to increased activity was off-set by decreases in:

- interstate lotteries (**\$0.904 million**) as a result of Victorian lottery products no longer being directly being sold in the ACT;
- casino revenue (**\$0.096 million**) due to decreased activity;
- sports bookmaking (**\$0.260 million**) as a result of the voluntary liquidation of one sports bookmaking licensee;
- regulatory fees (**\$0.153 million**) due to decreased activity; and
- ACTTAB licence fee (**\$0.091 million**).

Gains

Income from gains for the year ending 30 June 2012 was **\$0.018 million** or **12.2 per cent** lower than the 2011-12 budget of **\$0.147 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 2010-11 Actual Income

Revenue

Gambling revenue in 2011-12 was **\$0.167 million**, or **0.3 per cent**, lower than the 2010-11 actual result. This was due to an increase in revenue from gaming machines (**\$0.364 million**) and the ACTTAB licence fee (**\$0.138 million**). This was offset by a decrease from interstate lotteries (**\$0.262 million**), casino revenue (**\$0.059 million**), regulatory fees (**\$0.019 million**) and sports betting (**\$0.329 million**).

Gains

Income from gains was **\$0.006 million** or **4.4%** lower than the 2010-11 actual result of **\$0.135 million**. This decrease was mainly 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 2012-13 is budgeted to increase by **\$1.411 million** compared to the 2011-12 actual due to expected increases in Interstate Lotteries, ACTTAB licence fee, casino revenue, regulatory fees and sports betting offset by a decrease in gaming machine revenue.

This budgeted increase of **\$1.411 million** is based on the budget estimates published in the 2011-12 budget papers. However, since the 2011-12 budget papers were published the estimate for gambling revenue has been reduced by **\$3.034 million** which will result in a budgeted decrease of **\$1.623 million**. This change in the budgeted estimate is due to Victorian lottery products no longer being directly sold in the ACT and a sports bookmaking licensee has entered into voluntary liquidation. Revenue thereafter is anticipated to increase at a rate equivalent to the consumer price index.

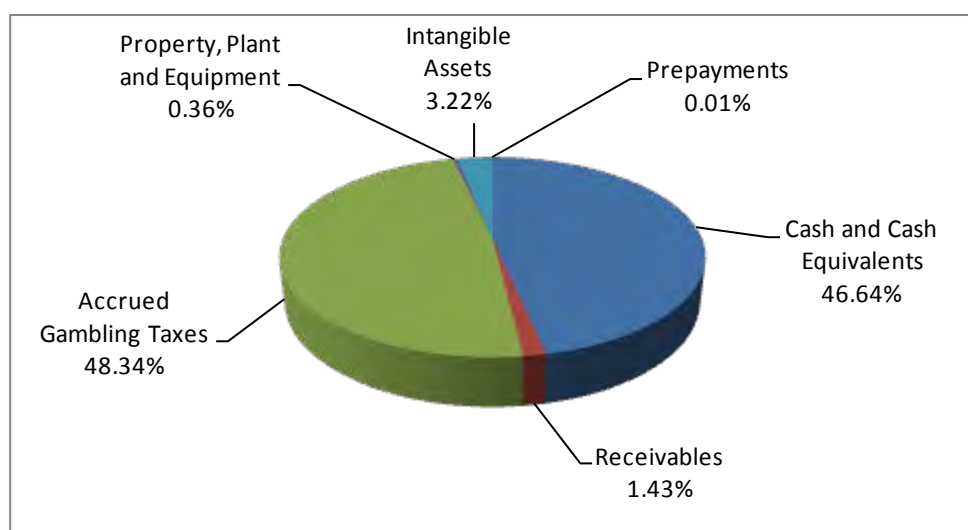
COMMISSION'S FINANCIAL POSITION

TOTAL ASSETS

1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2012 the Commission held **48.3 per cent** of its assets in accrued gambling taxes and **46.6 per cent** in cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2012



2. Comparison to Budget

The total asset position as at 30 June 2012 is **\$9.356 million**, **\$2.415 million** higher than the 2011-12 budget of **\$6.941 million**. The increase largely reflects higher cash and cash equivalents (**\$1.641 million**) based on an improvement in the Commission's operating result, an increase in receivables (**\$0.738 million**) due to an increase in accrued gambling taxes and an increase in intangible assets (**\$0.048 million**) due to the Commission's new gaming machine database becoming operational in September 2011.

3. Comparison to 2010-11 Actuals

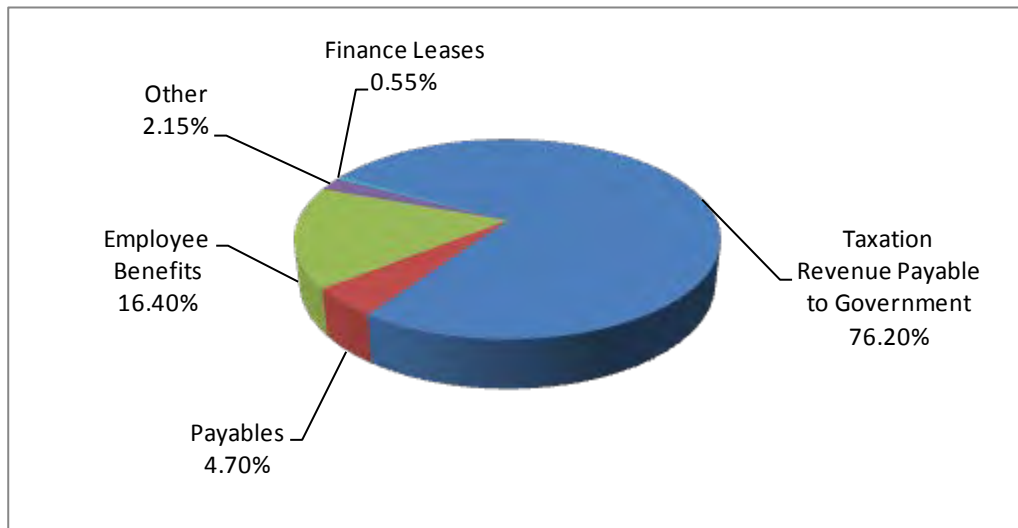
The Commission's total asset position is **\$1.807 million** higher than the 2010-11 actual result of **\$7.549 million** mainly due to an increase in cash and cash equivalents (**\$1.445 million**) based on an improvement in the Commission's operating result and an increase in receivables (**\$0.385 million**) due to an increase in accrued gambling taxes.

TOTAL LIABILITIES

1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities as at 30 June 2012 relate to taxation revenue payable to Government (**76.2 per cent**) and employee benefits (**16.4 per cent**).

Figure 4 – Total Liabilities as at 30 June 2012



2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2012 of **\$5.818 million** is **\$0.864 million** higher than the 2011-12 budget of **\$4.954 million** largely due to taxation revenue payable to Government (**\$0.663 million**) and payables (**\$0.205 million**) being higher than anticipated.

3. Comparison to 2010-11 Actuals

Total liabilities are **\$0.587 million** higher than the 2010-11 actual results of **\$5.231 million** mainly due to increases in taxation revenue payable to Government (**\$0.270 million**), payables (**\$0.225 million**) and employee benefits (**\$0.076 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 2010-11 \$'000s	Current Year Budget 2011-12 \$'000s	Current Year Actual 2011-12 \$'000s	Forward Year Budget 2012-13 \$'000s	Forward Year Budget 2013-14 \$'000s	Forward Year Budget 2014-15 \$'000s
Current Assets	7,201	6,641	9,021	7,098	7,586	8,107
Current Liabilities	5,187	4,755	5,727	4,782	4,779	4,806
Current Ratio	1.39:1	1.40:1	1.58:1	1.48:1	1.59:1	1.69:1

The Commission's current ratio for the financial year ended 30 June 2012 is **1.58 to 1** which is higher than the budgeted current ratio of **1.40:1**. The higher ratio reflects an increase in cash and cash equivalents (**\$1.641 million**) based on an improvement in the Commission's operating result and an increase in receivables (**\$0.738 million**).

The Commission is expecting to maintain a strong level of liquidity as the current ratio increases in the forward years to **1.69:1** by 2014-15.

A.6 FINANCIAL REPORT



ACT AUDITOR-GENERAL'S OFFICE



A12/26

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

Dear Mr Gray

Malcolm

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF THE ACT GAMBLING AND RACING COMMISSION FOR THE YEAR ENDED 30 JUNE 2012

The Audit Office has completed the audit of the financial statements of the ACT Gambling and Racing Commission for the year ended 30 June 2012.

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 Gaming and Racing, Ms Joy Burch MLA.

Yours sincerely

Bernie Sheville
Director, Financial Audits
29 August 2012

c.c. Mr Greg Jones, Chief Executive Officer
Mr Ron Leonard, Manager, Coordination and Revenue



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

I have audited the financial statements of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2012. The financial statements are comprised of the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

Responsibility for the financial 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.

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

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

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

Audit opinion

In my opinion, the financial statements of the Commission for the year ended 30 June 2012:

- (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 2012 and the results of its operations and cash flows for the year then ended.

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



Bernie Sheville
Director, Financial Audits
29 August 2012



ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2012

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 2012 and the financial position of the ACT Gambling and Racing Commission on that date.

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

Malcolm Gray
Chairperson
ACT Gambling and Racing Commission

16 July 2012



ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2012

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 2012 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

16 July 2012

ACT GAMBLING AND RACING COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

**ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2012**

	Note No.	Actual 2012 \$	Original Budget 2012 \$	Actual 2011 \$
Income				
<i>Revenue</i>				
Government Payment for Outputs	4	4,278,000	4,297,000	4,333,000
Taxation Collected on Behalf of the Territory	5	53,279,890	53,076,000	53,427,297
Regulatory Fees	6	3,086,924	3,240,000	3,106,064
Interest	7	154,736	131,000	225,041
Resources Received Free of Charge	8	13,965	25,000	8,487
Other Revenue	9	1,265,132	1,139,000	100,000
Total Revenue		62,078,647	61,908,000	61,199,889
<i>Gains</i>				
Other Gains	10	128,584	147,000	134,643
Total Gains		128,584	147,000	134,643
Total Income		62,207,231	62,055,000	61,334,532
Expenses				
Employee Expenses	11	2,522,904	2,768,000	2,387,644
Superannuation Expenses	12	382,154	414,000	403,845
Supplies and Services	13	993,753	1,526,000	804,832
Purchased Services	14	650,730	651,000	0
Depreciation and Amortisation	15	66,600	84,000	8,863
Borrowing Costs	16	2,219	2,000	1,919
Other Expenses	17	61,595	0	1,625
Taxation Revenue Transferred to Government		56,306,814	56,314,000	56,533,361
Total Expenses		60,986,769	61,759,000	60,142,089
Operating Surplus		1,220,462	296,000	1,192,443
Other Comprehensive Income				
Decrease in the Asset Revaluation Surplus	29	0	0	2,779
Total Other Comprehensive Income		0	0	2,779
Total Comprehensive Income		1,220,462	296,000	1,189,664

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 2012

	Note No.	Actual 2012 \$	Original Budget 2012 \$	Actual 2011 \$
Current Assets				
Cash and Cash Equivalents	20	4,363,019	2,722,000	2,918,477
Receivables	21	4,656,366	3,918,000	4,270,890
Prepayments		1,140	1,000	11,848
Total Current Assets		9,020,525	6,641,000	7,201,215
Non-Current Assets				
Plant and Equipment	22	33,992	47,000	25,144
Intangible Assets	23	301,131	253,000	0
Capital Works in Progress	24	0	0	322,430
Total Non-Current Assets		335,123	300,000	347,574
Total Assets		9,355,648	6,941,000	7,548,789
Current Liabilities				
Payables	25	273,233	68,000	48,158
Finance Leases	26	5,316	8,000	23,444
Employee Benefits	27	890,363	768,000	832,588
Taxation Revenue Payable to Government		4,432,972	3,770,000	4,163,165
Other Liabilities	28	125,183	141,000	119,249
Total Current Liabilities		5,727,067	4,755,000	5,186,604
Non-Current Liabilities				
Finance Leases	26	26,880	23,000	0
Employee Benefits	27	63,885	176,000	44,831
Total Non-Current Liabilities		90,765	199,000	44,831
Total Liabilities		5,817,832	4,954,000	5,231,435
Net Assets		3,537,816	1,987,000	2,317,354
Equity				
Accumulated Funds		3,535,708	1,982,000	2,315,246
Asset Revaluation Surplus	29	2,108	5,000	2,108
Total Equity		3,537,816	1,987,000	2,317,354

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 2012**

		Accumulated Funds Actual 2012 \$	Asset Revaluation Surplus Actual 2012 \$	Total Equity Actual 2012 \$	Original Budget 2012 \$
2011-12	Note No.				
Balance at the Beginning of the Reporting Period		2,315,246	2,108	2,317,354	1,691,000
Comprehensive Income					
Operating Surplus		1,220,462	0	1,220,462	296,000
Increase/(Decrease) in the Asset Revaluation Surplus	29	0	0	0	0
Total Comprehensive Income		1,220,462	0	1,220,462	296,000
Balance at the End of the Reporting Period		3,535,708	2,108	3,537,816	1,987,000

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

**ACT Gambling and Racing Commission
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2012**

		Accumulated Funds Actual 2011 \$	Asset Revaluation Surplus Actual 2011 \$	Total Equity Actual 2011 \$
2010-11	Note No.			
Balance at the Beginning of the Reporting Period		5,022,803	4,887	5,027,690
Comprehensive Income				
Operating Surplus		1,192,443	0	1,192,443
(Decrease) in the Asset Revaluation Surplus	29	0	(2,779)	(2,779)
Total Comprehensive Income		1,192,443	(2,779)	1,189,664
Transaction Involving Owners Affecting Accumulated Funds				
Distribution to Government		(3,900,000)	0	(3,900,000)
Total Transaction Involving Owners Affecting Accumulated Funds		(3,900,000)	0	(3,900,000)
Balance at the End of the Reporting Period		2,315,246	2,108	2,317,354

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 2012**

	Note No.	Actual 2012 \$	Original Budget 2012 \$	Actual 2011 \$
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		4,278,000	4,297,000	4,333,000
Taxation Collected on Behalf of the Territory		52,944,149	53,076,000	53,055,943
Regulatory Fees		3,092,858	3,240,000	3,084,501
Interest Received		153,207	131,000	235,089
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		149,298	116,000	110,846
Goods and Services Tax Collected from Customers		17,407	0	10,164
Other		1,290,126	1,286,000	234,643
Total Receipts from Operating Activities		61,925,045	62,146,000	61,064,186
Payments				
Employee		2,450,727	2,699,000	2,356,721
Superannuation		380,269	413,000	402,361
Supplies and Services		803,157	1,558,000	825,310
Purchased Services		591,080	597,000	0
Borrowing Costs		2,219	2,000	1,919
Other		1,595	0	1,625
Taxation Revenue Transferred to Government		56,037,007	56,316,000	56,140,444
Goods and Services Tax Remitted to the Australian Taxation Office		15,899	0	11,307
Goods and Services Tax Paid to Suppliers		154,318	116,000	112,185
Total Payments from Operating Activities		60,436,271	61,701,000	59,851,872
Net Cash Inflows from Operating Activities	34	1,488,774	445,000	1,212,314
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Plant and Equipment		23,170	0	0
Total Receipts from Investing Activities		23,170	0	0

**ACT Gambling and Racing Commission
Cash Flow Statement - Continued
For the Year Ended 30 June 2012**

	Note No.	Actual 2012 \$	Original Budget 2012 \$	Actual 2011 \$
Payments				
Purchase of Plant and Equipment		0	10,000	0
Purchase of Intangibles		40,405	0	262,430
Total Payments from Investing Activities		40,405	10,000	262,430
Net Cash (Outflows) from Investing Activities		(17,235)	(10,000)	(262,430)
Cash Flows from Financing Activities				
Payments				
Repayment of Finance Lease Liabilities		26,997	7,000	8,401
Distributions to Government		0	0	3,900,000
Total Payments from Financing Activities		26,997	7,000	3,908,401
Net Cash (Outflows) from Financing Activities		(26,997)	(7,000)	(3,908,401)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,444,542	428,000	(2,958,517)
Cash and Cash Equivalents at the Beginning of the Reporting Period		2,918,477	2,294,000	5,876,994
Cash and Cash Equivalents at the End of the Reporting Period	34	4,363,019	2,722,000	2,918,477

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 2012**

	Original Budget 2012 \$	Total Appropriated 2012 \$	Appropriation Drawn 2012 \$	Appropriation Drawn 2011 \$
Government Payment for Outputs	4,297,000	4,313,000	4,278,000	4,333,000
Total Appropriation	4,297,000	4,313,000	4,278,000	4,333,000

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 of these financial statements.

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 Statements of these financial statements.

Variance between "Original Budget" and "Total Appropriated"

The increase in *Total Appropriated* compared to *Original Budget* relates to an increase in wage parameters as a result of the Commission's new enterprise agreement.

Variance between "Total Appropriated" and "Appropriation Drawn"

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

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 2012

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 2012

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 2012 together with the financial position of the Commission as at 30 June 2012.

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, Fees and Fines

Taxes 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 2012

Note 2. Summary of Significant Accounting Policies – Continued

g) Borrowing Costs

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

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 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 2012

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 2012

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, 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.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 2. Summary of Significant Accounting Policies – Continued

r) Employee Benefits - Continued

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 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 estimated future payments are discounted using market yields on Commonwealth Government bonds with terms of maturity to match, as closely as possible, the estimated future cash flows. In 2011-12, the rate used to estimate the present value of these future payments is 106.6% (92.2% in 2010-11).

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 2. Summary of Significant Accounting Policies – Continued

s) Superannuation - Continued

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

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 2. Summary of Significant Accounting Policies – Continued

v) Significant Accounting Judgements and Estimates - Continued

- 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. A provision 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*.
- 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 below pronouncements, when applicable, will have no material financial impact on the Commission in future reporting periods.

- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 10 Consolidated Financial Statements (application date 1 January 2013);
- 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);
- 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 2013);
- 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);

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 2. Summary of Significant Accounting Policies – Continued

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

- 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 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039, & 1049] (application date 1 July 2012);
- 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);

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 Estimate

Revision of the Employee Benefit Discount Rate

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 increased from 92.2% in 2010-11 to 106.6% in 2011-12.

This change has resulted in a increase in the estimate of the long service leave liability and expense in the current reporting period of \$71,511.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

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.

	2012	2011
	\$	\$
Revenue from the ACT Government		
Government Payment for Outputs	4,278,000	4,333,000
Total Government Payment for Outputs	4,278,000	4,333,000

Note 5. Taxation Collected on Behalf of the Territory

Gaming Machines	35,714,068	35,349,756
Interstate Lotteries	14,018,700	14,280,507
Casino	2,022,187	2,080,895
ACTTAB	1,464,935	1,326,508
Sports Bookmaking	60,000	389,631
Total Taxation Collected on Behalf of the Territory	53,279,890	53,427,297

Note 6. Regulatory Fees

Gaming Machines	182,066	178,825
Lotteries	2,001,028	2,055,969
Casino	864,546	819,357
Sports Bookmaking	37,589	48,419
Racing	1,695	3,494
Total Regulatory Fees	3,086,924	3,106,064

Note 7. Interest

The ACT Gambling and Racing Commission earn 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

Other Interest ¹	154,736	225,041
Total Interest Revenue from Non-ACT Government Entities	154,736	225,041

1. The decrease in revenue from interest in 2011-12 is a result of a capital distribution of surplus funds to the Territory Bank Account in 2010-11.

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	13,965	8,487
Total Resources Received Free of Charge	13,965	8,487

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 9. Other Revenue	2012	2011
	\$	\$

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 Levy ¹	45,455	0
Total Other Revenue from ACT Government Entities	45,455	0

Revenue from Non-ACT Government Entities

Race Field Information Charge Fee	84,521	100,000
Problem Gambling Assistance Fund Levy ¹	1,135,156	0
Total Other Revenue from Non-ACT Government Entities	1,219,677	100,000

Total Other Revenue	1,265,132	100,000
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1. The Commission receives the 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. The Problem Gambling Assistance Fund levy and voluntary contributions commenced on 1 July 2011.

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	3,170	0
Unclaimed Prize Money	125,414	134,643
Total Other Gains	128,584	134,643

Note 11. Employee Expenses

Wages and Salaries	2,274,124	2,137,546
Annual Leave Expense	185,879	182,819
Long Service Leave Expense	47,377	53,524
Workers Compensation Insurance Premium	15,524	13,755
Other Employee Benefits	0	0
Total Employee Expenses	2,522,904	2,387,644

Note 12. Superannuation Expenses

Superannuation Contributions to the Territory Banking Account	250,330	276,738
Productivity Benefit	34,454	38,601
Superannuation Payment to Comsuper (for the PSSAP)	7,165	14,756
Superannuation to External Providers	90,205	73,750
Total Superannuation Expenses	382,154	403,845

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 13. Supplies and Services	2012	2011
	\$	\$
Rent and Related Expenses ¹	287,345	236,709
Travel	11,608	8,118
Research Expenses ²	204,761	120,411
General Administration Costs	145,876	126,538
Audit Fees	36,698	27,798
Personnel Services	70,170	73,726
ICT Support Services	184,603	203,045
Legal Fees	13,965	8,487
Other ³	38,727	0
Total Supplies and Services	993,753	804,832

1. The increase in Rent and Related Expenses in 2011-12 relates to additional operating costs for the Commission's leased accommodation that in previous years were not passed onto the Commission.
2. The increase in Research Expenses in 2011-12 relates to additional research projects that were completed/commenced during the financial year.
3. The increase in Other Expenses in 2011-12 relates to expenses from the Problem Gambling Assistance Fund on projects aimed to reduce the negative impact of problem gambling. The Problem Gambling Assistance Fund commenced on 1 July 2011.

Note 14. Purchased Services

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

Problem Gambling Support Services ¹	650,730	0
Total Purchased Services	650,730	0

1. The increase in Problem Gambling Support Services in 2011-12 relates to expenses from the Problem Gambling Assistance Fund to provide problem gambling support services to the ACT community. The Problem Gambling Assistance Fund and associated support services commenced on 1 July 2011.

Note 15. Depreciation and Amortisation

Depreciation

Plant and Equipment	1,038	1,772
Plant and Equipment under a Finance Lease	3,858	7,091
Total Depreciation	4,896	8,863

Amortisation

Intangible Assets ¹	61,704	0
Total Amortisation	61,704	0

Total Depreciation and Amortisation	66,600	8,863
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1. The increase in Intangible Assets in 2011-12 relates to the Commission's new gaming machine database becoming operational in September 2011.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 16. Borrowing Costs	2012	2011
	\$	\$
Finance Charges on Finance Leases	2,219	1,919
Total Borrowing Costs	2,219	1,919

Note 17. Other Expenses		
Unclaimed Prize Money	1,595	1,625
Impairment Losses (see note 18)	60,000	0
Total Other Expenses	61,595	1,625

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.	2012	No.	2011
		\$		\$
Impairment Losses				
<i>Impairment Losses from Receivables</i>				
Gambling Taxes Accrued – Sports Bookmaking Tax	1	60,000	0	0
<i>Total Impairment Losses from Receivables</i>	1	60,000	0	0
<i>Impairment Losses from Property Plant and Equipment</i>				
Plant and Equipment	0	0	2	3,212
<i>Total Impairment Losses from Property Plant and Equipment</i>	0	0	2	3,212
Total Impairment Losses	1	60,000	2	3,212

The impairment loss from receivables 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 (2010-2011 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	2012	2011
	\$	\$
Audit Fees Paid to the ACT Auditor-General's Office	32,798	27,798
Total Audit Fees	32,798	27,798

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 20. Cash and Cash Equivalents	2012	2011
	\$	\$
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 4.20% (2010-2011 4.51%).		
Cash at Bank	4,362,776	2,918,308
Cash on Hand	243	169
Total Cash and Cash Equivalents	4,363,019	2,918,477

Note 21. Receivables

Gaming Machine Taxation ¹	3,180,855	2,604,688
Interstate Lotteries Duty ²	1,033,655	1,304,414
Casino Taxation	169,058	168,501
ACTTAB Licence Fee	139,307	118,131
Sports Bookmakers Taxation	60,000	51,400
Less: Allowance for Impairment Loss ³	(60,000)	0
Sub-Total (Gambling Taxes Accrued)	4,522,875	4,247,134
Problem Gambling Assistance Fund Levy ⁴	100,420	0
Other Trade Receivables	15,428	11,133
Net GST Receivable	17,643	12,623
Sub-Total (Other Receivables)	133,491	23,756
Total Receivables	4,656,366	4,270,890

- The increase in Gaming Machine Taxation in 2011-12 is due to higher activity for the month of June 2012 payable in July compared to June 2011.
- The decrease in Interstate Lotteries Duty in 2011-12 is due to Victorian lottery products no longer being directly sold in the ACT.
- The increase in Allowance for Impairment Loss in 2011-12 is due to an unpaid tax liability by Sports Alive Pty Ltd as a result of its voluntary liquidation.
- The increase in Problem Gambling Assistance Fund Levy in 2011-12 is due to the levy commencing on 1 July 2011.

Ageing of Receivables

	Not Overdue	Past Due			Total
		Less than 30 Days	30 to 60 days	Greater than 60 Days	
	\$	\$	\$	\$	\$
2012					
Not Impaired ¹					
Receivables	4,656,366	0	0	0	4,656,366
Impaired					
Receivables	0	0	0	60,000	60,000
2011					
Not Impaired ¹					
Receivables	4,270,890	0	0	0	4,270,890
Impaired					
Receivables	0	0	0	0	0

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 21. Receivables - Continued

	2012	2011
	\$	\$
Reconciliation of the Allowance for Impairment Losses		
Allowance for Impairment Losses at the Beginning of the Reporting Period	0	0
Additional Allowance Recognised	60,000	0
Reduction in Allowance from Amounts Recovered During the Year	0	0
Allowance for Impairment Losses at the End of the Reporting Period	60,000	0

Classification of ACT Government/Non-ACT Government Receivables

Receivables with ACT Government Entities

Gambling Taxes Accrued	139,307	118,131
Other Trade Receivables	2,766	0
Total Receivables with ACT Government Entities	142,073	118,131

Receivables with Non-ACT Government Entities

Gambling Taxes Accrued	4,383,568	4,129,003
Problem Gambling Assistance Fund Levy	100,420	0
Other Trade Receivables	12,662	11,133
Net GST Receivable	17,643	12,623
Total Receivables with Non-ACT Government Entities	4,514,293	4,152,759

Total Receivables	4,656,366	4,270,890
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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.

	2012	2011
	\$	\$
Plant and Equipment		
Plant and Equipment at Fair Value	5,191	5,191
Less: Accumulated Depreciation	(1,085)	(47)
Total Written Down Value of Plant and Equipment	4,106	5,144

Plant and Equipment under a Finance Lease

Plant and Equipment under a Finance Lease at Fair Value	33,744	20,000
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	(3,858)	0
Total Written Down Value of Plant and Equipment under a Finance Lease	29,886	20,000
Total Written Down Value of Plant and Equipment	33,992	25,144

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

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 2011-12 and 2010-11.

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

2010-11	Plant and Equipment \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	36,786	36,786
Additions	0	0
Disposals	0	0
Revaluation Increment	433	433
Impairment Loss Recognised in Other Comprehensive Income	(3,212)	(3,212)
Depreciation	(8,863)	(8,863)
Carrying Amount at the End of the Reporting Period	25,144	25,144

Note 23. Intangible Assets

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

	2012 \$	2011 \$
Computer Software		
<i>Externally Purchased Software</i>		
Computer Software at Cost ¹	362,835	0
Less: Accumulated Amortisation	(61,704)	0
<i>Total Externally Purchased Software</i>	<u>301,131</u>	<u>0</u>
Total Computer Software	<u>301,131</u>	<u>0</u>

1. The increase in Computer Software in 2011-12 relates to the Commission's new gaming machine database becoming operational in September 2011.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 23. Intangible Assets - Continued

Reconciliation of Intangible Assets

The following table shows the movement of Intangible Assets 2011-12 and 2010-11.

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

2010-11	Externally Purchased Software	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	0	0
Additions	0	0
Amortisation	0	0
Carrying Amount at the End of the Reporting Period	0	0

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.

	2012	2011
	\$	\$
Software Works in Progress ¹	0	322,430
Total Capital Works in Progress	0	322,430

1. Reduction in Software Works in Progress in 2011-12 is due to the transfer of the new Gaming Machine Tax Database to Intangible Assets.

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2011-12 and 2010-11.

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 24. Capital Works in Progress - Continued

2010-11	Software Works in Progress \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	60,000	60,000
Additions	262,430	262,430
Carrying Amount at the End of the Reporting Period	322,430	322,430

	2012 \$	2011 \$
Note 25. Payables		
Trade Payables ¹	106,114	15,352
Accrued Expenses ²	167,119	32,806
Total Payables	273,233	48,158

Ageing of Payables

Payables are aged as follows:

Not overdue	273,233	48,158
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	273,233	48,158

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

Trade Payables	40,835	379
Accrued Expenses	121,436	32,076
Total Payables with ACT Government Entities	162,271	32,455

Payables with Non-ACT Government Entities

Trade Payables	65,279	14,973
Accrued Expenses	45,683	730
Total Payables with Non-ACT Government Entities	110,962	15,703

Total Payables	273,233	48,158
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1. The increase in Trade Payables in 2011-12 is due to invoices for Problem Gambling Support Services and Shared Tenancy expenses being raised in June 2012 and paid in July 2012.
2. The increase in Accrued Expenses in 2011-12 is mainly due to expenses for Rent and related Operating Costs and Research incurred during 2011-12 not 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 2012

Note 26. Finance Leases

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	5,316	23,444
Total Current Secured Finance Leases	5,316	23,444

Non-Current Finance Leases

Secured

Finance Leases	26,880	0
Total Non-Current Secured Finance Leases	26,880	0
Total Finance Leases	32,196	23,444

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	7,412	23,919
Later than one year but not later than five years	30,168	0
Later than five years	0	0
Minimum Lease Payments	37,580	23,919
<i>Less: Future Finance Lease Charges</i>	<i>(5,384)</i>	<i>(475)</i>
Amount Recognised as a Liability	32,196	23,444
Total Present Value of Minimum Lease Payments	32,196	23,444

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

Within one year	5,316	23,444
Later than one year but not later than five years	26,880	0
Later than five years	0	0
Total Present Value of Minimum Lease Payments	32,196	23,444

Classification on the Balance Sheet

Finance Leases

Current Finance Leases	5,316	23,444
Non-Current Finance Leases	26,880	0
Total Finance Leases	32,196	23,444

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

Note 27. Employee Benefits	2012	2011
	\$	\$
Current Employee Benefits		
Annual Leave	282,561	267,769
Long Service Leave	517,745	489,421
Accrued Wages and Salaries	90,057	75,398
Total Current Employee Entitlements	890,363	832,588
Non-Current Employee Benefits		
Long Service Leave	63,885	44,831
Total Non-Current Employee Entitlements	63,885	44,831
Total Employee Benefits	954,248	877,419
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	282,561	267,769
Long Service Leave	52,251	35,281
Accrued Wages and Salaries	90,057	75,398
Total Employee Benefits Payable within 12 Months	424,869	378,448
Estimated Amount Payable after 12 Months		
Long Service Leave	529,379	498,971
Total Employee Benefits Payable after 12 Months	529,379	498,971
Total Employee Benefits	954,248	877,419

At the end of the 2011-12 reporting period the ACT Gambling and Racing Commission had 29.3 full-time equivalent staff employed (in 2010-11 there were 29.1 full-time equivalent staff).

Note 28. Other Liabilities

Current Other Liabilities

Revenue Received in Advance		
- Casino Licence	64,099	83,969
- Sports Bookmakers Annual Licence	25,804	0
- Security Deposits – Interactive Gambling	35,280	35,280
Total Current Other Liabilities	125,183	119,249

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	4,887
(Decrease) in the Asset Revaluation Surplus	0	(2,779)
Total (Decrease) in the Asset Revaluation Surplus	0	(2,779)
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 2012

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 portion of financial assets are held in floating interest rate arrangements, however, the majority of the financial liabilities are non-interest bearing. This means the Commission is not exposed to movements in interest payable, however it is exposed to movements in interest receivable. Interest rates decreased during the year ended 30 June 2012 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 2012

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 2012 \$	Fair Value 2012 \$	Carrying Amount 2011 \$	Fair Value 2011 \$
Financial Assets				
Cash and Cash Equivalents	4,363,019	4,303,019	2,918,477	2,918,477
Receivables	33,071	33,071	23,756	23,756
Total Financial Assets	4,396,090	4,336,090	2,942,233	2,942,233
Financial Liabilities				
Payables	273,233	273,233	48,158	48,158
Finance Leases	32,196	32,196	23,444	23,444
Total Financial Liabilities	305,429	305,429	71,602	71,602

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 2012

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	19	4.20%	4,362,776	0	0	0	243	4,363,019
Receivables	20		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	24		0	0	0	0	273,233	273,233
Finance Leases	25	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 2012

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 2011. 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	19	4.51%	2,918,308	0	0	0	169	2,918,477
Receivables	20		0	0	0	0	23,756	23,756
Total Financial Assets			2,918,308	0	0	0	23,925	2,942,233
Financial Liabilities								
Payables	24		0	0	0	0	48,158	48,158
Finance Leases	25	6.83%	0	23,919	0	0	0	23,919
Total Financial Liabilities			0	23,919	0	0	48,158	72,077
Net Financial Assets/(Liabilities)			2,918,308	(23,919)	0	0	(24,233)	2,870,156

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

	2012	2011
	\$	\$
Note 30. Financial Instruments – Continued		
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables	33,071	23,756
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	305,429	71,602

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 2012 are:

Mr M Gray	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.12 of November 2010 and Determination No.14 of November 2011 made by the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Commission was \$109,009 (2010-11 \$115,383).

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 2012

Note 32. Commitments**Capital Commitments**

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

	2012	2011
	\$	\$
<i>Capital Commitments – Intangible Assets</i>		
Payable:		
Within one Year	0	47,797
Later than one year but no later than five years	0	0
Later than five years	0	0
<i>Total Capital Commitments – Intangible Assets¹</i>	0	47,797
Total Capital Commitments	0	47,797

1. The decrease in Capital Commitments for 2011-12 is due to the implementation of an externally purchased gaming machine database system being finalised.

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	650,730	1,301,460
Later than five years	0	0
Total Other Commitments¹	1,301,460	1,952,190

1. The decrease in Other Commitments in 2011-12 relates to the completion of one year 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 2012, 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	12,561	18,180
Later than one year but no later than five years	13,647	26,885
Later than five years	0	0
Total Operating Lease Commitments	26,208	45,065

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 \$2,287,800 (2010-11 \$2,163,981).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

	2012	2011
	\$	\$
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	4,363,019	2,918,477
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	4,363,019	2,918,477
(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus		
Operating Surplus	1,220,462	1,192,443
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	66,600	8,863
Non-Cash Expense on Acquisition of Motor Vehicles	2,005	0
Impairment losses on Receivables	60,000	0
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	(3,170)	0
Cash Before Changes in Operating Assets and Liabilities	1,345,897	1,201,306
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(441,201)	(363,788)
(Increase)/Decrease in Prepayments	10,708	(10,631)
Increase/(Decrease) in Payables	223,567	(18,334)
Increase in Employee Benefits	74,062	32,407
Increase in Taxation Revenue Payable	269,807	392,917
Increase/(Decrease) in Other Liabilities	5,934	(21,563)
Net Changes In Operating Assets and Liabilities	142,877	11,008
Net Cash Inflows from Operating Activities	1,488,774	1,212,314
(c) Non-Cash Financing Activities		
All new motor vehicle leases entered into by the Commission are under a finance lease rather than under an operating lease.		
	2012	2011
Acquisition of Motor Vehicles by means of Finance Leases	2	0

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2012

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 2012 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.

	2012	2011
	\$	\$
Race Field Information Charge		
Balance at the Beginning of the Reporting Period	0	0
Cash Receipts	1,900,673	2,310,597
Cash Payments	(1,883,691)	(2,310,597)
Balance at the End of the Reporting Period	16,982	0

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

A.7 STATEMENT OF PERFORMANCE

**ACT AUDITOR-GENERAL'S OFFICE**

A12/26

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

Dear Mr Gray

**REPORT OF FACTUAL FINDINGS ON THE STATEMENT OF PERFORMANCE OF THE
ACT GAMBLING AND RACING COMMISSION FOR THE YEAR ENDED 30 JUNE 2012**

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 2012.

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 Gaming and Racing, Ms Joy Burch MLA.

Yours sincerely

Bernie Sheville
Director, Financial Audits
29 August 2012

c.c. Mr Greg Jones, Chief Executive Officer



ACT AUDITOR-GENERAL'S OFFICE



REPORT OF FACTUAL FINDINGS

ACT GAMBLING AND RACING COMMISSION

To the Members of the ACT Legislative Assembly

Report on the statement of performance

I have reviewed the statement of performance of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2012.

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

My responsibility is to provide a report of factual findings that expresses an independent review opinion on the statement of performance of the Commission as required by the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*.

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

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

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

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

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

Electronic presentation of the statement of performance

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

Independence

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

Review opinion

Based on my procedures, no matters have come to my attention which indicate that the statement of performance of the Commission for the year ended 30 June 2012 does not fairly present the performance of the Commission in accordance with the *Financial Management Act 1996*.



Bernie Sheville
Director, Financial Audits
29 August 2012



**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2012**

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 2012 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink that reads 'Malcolm Gray'. The signature is fluid and cursive, with the first name 'Malcolm' and the last name 'Gray' clearly distinguishable.

Malcolm Gray
Chairperson
ACT Gambling and Racing Commission

15 August 2012

ACT GAMBLING AND RACING COMMISSION

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2012

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2012**

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 2012**

Output Class 1: Gambling Regulation and Compliance

Output 1.1: Gambling Regulation and Compliance

	Original Target 2011-12	Actual Result 2011-12	% Variance from Target	Reasons for Material Variance
Total cost	\$5,445,000	\$4,679,955	(14.1)	Note 1
Government payment for outputs	\$4,297,000	\$4,278,000	(0.4)	-

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	101	1.0	-
- Gaming Machines	250	252	0.8	-
- Bookmakers	50	50	0	-
- Minor Lotteries	60	61	1.7	-

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	-

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.

Outcomes of Accountability Indicators

- 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.
- 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.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2012**

Additional performance measures included in the Commission's 2011-12 Statement of Intent.

Objective	Activity	Measured by	Original Target 2011-12	Actual Result 2011-12	% Variance from Target
1. Review gaming legislation and policies and implement changes	Critical examination of gaming laws and gaming policy issues	Provision of reports or briefs to Commission or Minister, implementation of reviews or policy issues considered	Completion of one report, brief or review	1	0
2. Coordinate research and education projects	Assessment and oversight of relevant projects	Number of projects successfully established or completed	Completion of one project	2	100 ¹
3. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2011-12 budget	Achieve or improve the 2011-12 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating result of \$1,220,462 exceeds the budgeted operating result of \$296,000	0

Reasons for Material Variance

- The increase reflects the completion of one additional research project during the reporting period.

Outcomes of Performance Measures

- Review gaming legislation and policies and implement changes.
 - The Commission has:
 - implemented the new governance provisions of the *Gaming Machine Act 2004* that commenced on 1 July 2011 including the provision of an information seminar for industry stakeholders in July 2011 along with issuing Fact Sheet guidelines.
- Coordinate research and education projects.
 - The Commission has:
 - completed the research project on Profiling Problem Gambling Symptoms in the ACT: Socioeconomic and Demographic Characteristics and Gambling Participation which was released in October 2011; and
 - completed the research project on Help-seeking and Uptake of Services Amongst People with Gambling Problems in the ACT which was released in October 2011.
- Effectively manage Commission resources.
 - The Commission has achieved an operating surplus of \$1,220,462 against the 2011-12 budgeted result of \$296,000.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2012**

Financial performance measures included in the Commission's 2011-12 Statement of Intent.

	Original Target 2011-12	Actual Result 2011-12	% Variance from Target	Reasons for Material Variance
Profitability				
Return on Assets	4.24%	13.05%	207.8	Note 1
Return on Equity	14.80%	34.50%	133.1	Note 2
Profit Margin	5.41%	28.53%	427.4	Note 2
Financial Management				
Current Ratio	1.40:1	1.58:1	12.9	Note 3
Cash Position	0.39:1	0.47:1	20.5	Note 3
Financial Stability				
Debt Ratio	0.71:1	0.62:1	(12.7)	Note 3
Gearing Ratio	0.02:1	0.01:1	(50.0)	Note 3
Debt Management				
Interest Cover Ratio	147:1	550:1	274.1	Note 2

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 and lower expenditure from the Problem Gambling Assistance Fund while suitable projects were developed and approved.
2. 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 and lower expenditure from the Problem Gambling Assistance Fund while suitable projects were developed and approved.
3. The variance reflects an increase in cash and cash equivalents mainly as a result of 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*
- *Profit Margin=(EBIT – investment income) / (Government & non-Government user-charges + Government payments for output + taxes, fees and fines - investment income)*
[Profit margin does not include 'taxes, fees and fines' as the Commission does not retain any of this amount]
- *Current Ratio=current assets / current liabilities*
- *Cash Position=(cash + current investments) / total assets*
- *Debt Ratio=total liabilities / total assets*
- *Gearing Ratio=total debt / equity*
- *Interest Cover Ratio=EBIT / annual interest payments*

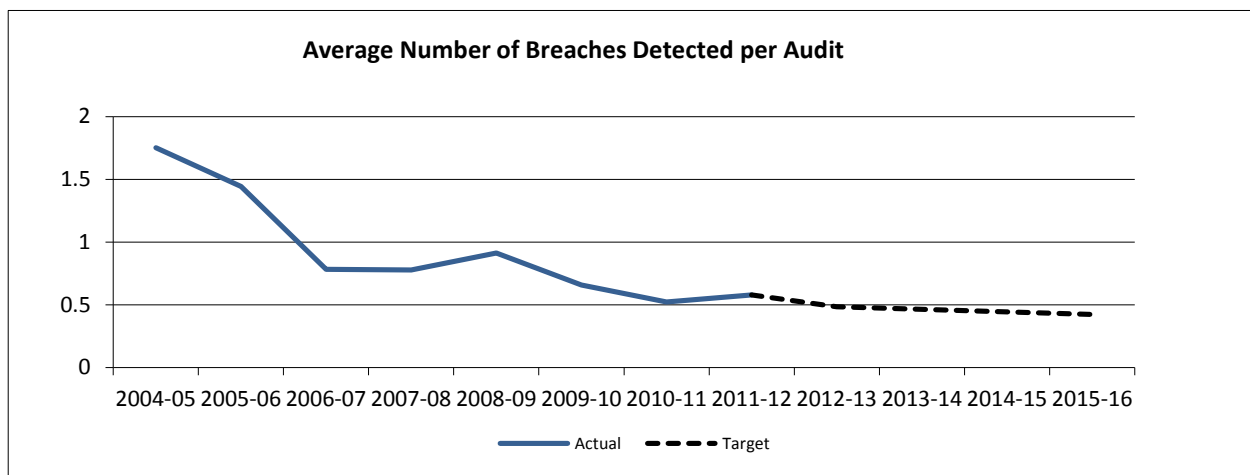
A.8 STRATEGIC INDICATORS

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.



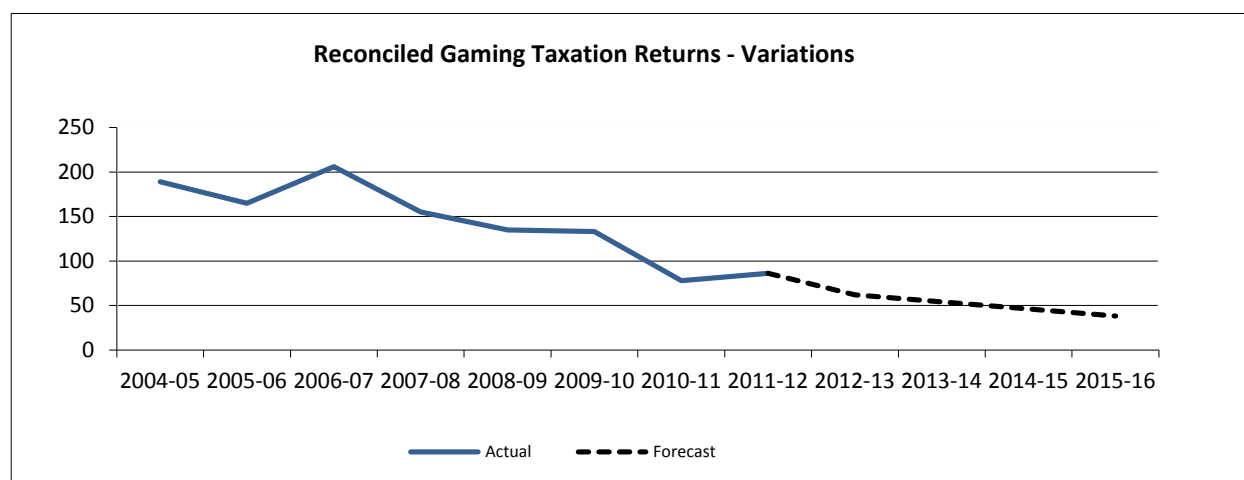
Result

The number of breaches detected per audit slightly increased for the 2011-12 financial year with the average number detected increasing from 0.52 in 2010-11 to 0.58 per audit. Although there has been a small increase during the reporting period the overall trend for the number of breaches has been a significant decrease over the past several years.

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 2011-12 slightly increased to 86 (2010-11 recorded 78). Although there has been a small increase during the reporting period, the overall variances for the previous five years have been trending down.

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. The hybrid analog/digital system that was installed in the 2009-10 financial year continues to provide the casino licensee and the Commission with high quality CCTV coverage.

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	43
Renewals	39
Variations	22
Cessations	49
Current Casino Employees	
Licensed	184
Unlicensed	63

Casino layout

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

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

A number of minor changes were approved in 2011-12.

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.

Approval for two new gaming table layouts was given by the Commission in 2011-12.

Approval of rules of games

The approval of the rules of the games by the Commission ensures that the casino games are fair and that the rate of return to players is reasonable. In 2011-12 the Commission received one application from the casino for an amendment to the rules of Mini-Baccarat, a current game. After due consideration of the application the request for amendment of the rules was approved.

There were no requests for the introduction of new games.

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 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 2011-12 was for Christmas Day.

Approval of control procedures

The control procedures cover the detailed operations of the casino and are an essential part of the regulatory scheme that requires the casino licensee, agents and casino employees to undertake their activities in a best practice and predictable way. 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. The control procedures for Mini Baccarat were changed to facilitate an amendment to the rules approved by the Commission. The Cash Desk control procedures were also updated during the reporting period to include procedures for the operation of ACTTAB Self Service Wagering Terminals installed on the main gaming floor.

Due to a change in job descriptions and realignment of the casino licensee's organisation chart minor changes were made to the security, exclusion, cash desk, surveillance, general gaming and casino access level procedures to reflect the changed roles contained in the job descriptions. These amendments were approved by the Commission after liaising with the casino licensee.

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 101 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 to ensure the correct payment of taxes within statutory timeframes. After an application by the casino licensee to the Minister for Gaming and Racing agreement was reached during the reporting period for the casino licensee to pay the yearly licence fee in instalments due in August and February rather than in one lump sum.

Breaches Detected

The Commission identified 363 minor breaches of the approved rules and procedures during the reporting period. This compares to 411 minor breaches detected in the previous financial year. The minor breaches for 2011-12 were as follows:

- 351 related to the failure to comply with the approved gaming procedures;
- 4 related to the failure to comply with the approved cash desk procedures; and
- 8 related to exclusion breaches by patrons.

All minor breaches were resolved satisfactorily.

The Commission identified 2 breaches of section 77 of the *Casino Control Act 2006* (the Act) where the casino failed to comply with their control procedures, 1 breach of section 25 of the Act where the casino failed to comply with the Code of Practice and 1 breach of section 41 of the Act where a person performed functions they were not licensed or competent to perform.

The Commission identified a further 2 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* 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 no casino related complaints during the reporting period.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

GAMING MACHINE REGULATION

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

- gaming machine operations are conducted in accordance with the provisions of the *Gaming Machine Act 2004* and associated regulations;
- gaming machine operations in the ACT are of a high standard, are conducted fairly and without corruption and reflect the 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 2012.

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	55	4,918
Hotels/Taverns	10	68
Total	65	4,986

Under the existing gaming machine cap of 5,024 there are 38 gaming machines remaining unallocated as at 30 June 2012.

Applications for Additional Gaming Machines

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

Licence Cancellations and Transfers

The Commission did not receive any applications to transfer licences during the reporting period. Three Clubs and one hotel/tavern licence were surrendered.

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	427
New and renewed Gaming Machine Technician applications processed	18
Transfers and amendments to Gaming Machine Attendant Certificates	34
Transfers and amendments to Gaming Machine Technician Certificates	1
Cancellation of Attendant or Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by a licensee or supplier	276
Cancellation of Attendant or Technician Certificates as holder deemed unsuitable	1
Disciplinary Action - Approved Attendants/Technicians	0
Refusal to grant an Attendant or Technician Certificate	0
Refusal to renew an Attendant or Technician Certificate	0
Total current Approved Attendants	715
Total current Approved Technicians	45

During the reporting period the Commission cancelled one person's Approved Attendant Certificate on the grounds that they were an ineligible person under the provisions of the *Gaming Machine Act 2004*. The person sought an external review of the Commission's decision with the ACT Civil and Administrative Tribunal. The application for review was subsequently withdrawn by the applicant prior to hearing.

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	382
Applications for new types of peripheral equipment from suppliers	31
Number of gaming machines converted on application by licensees	1,205
Number of gaming machines replaced on application by licensees	589
Total value of new (replacement) machines approved	\$11,211,040
Applications to operate a linked-jackpot arrangement	29
Applications to operate a multi-user linked-jackpot arrangement	0
Number of gaming machines disposed of on application by licensees	38

Contact Officer: Mr James Mullan, telephone 6207 0359

Compliance Audits of Gaming Machine Licensees

During the reporting period a total of 252 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*. 63 of these audits related to verification of Community Contributions expenditure claimed by licensees.

Breaches Detected

The Commission identified a total of 204 breaches of the legislation (compared to 195 last year) including 161 breaches of the *Gaming Machine Act 2004*:

- 24 related to failure to comply with a condition of the licence as required by section 39;
- 2 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;
- 8 related to the failure to keep a copy of the schedule to the licence at the licensed premises as required under section 42;
- 2 related to the failure to operate a gaming machine in accordance with the licensee's rules and control procedures as required under section 43;
- 5 related to the failure of the licensee to install gaming machines on the licensed premises in accordance with the Act as required by section 44;
- 1 related to the failure of the licensee to give the Commission written notice of the stated details for the gaming machine after it had been installed as required by section 45;
- 1 related to the failure of the licensee to ensure that a gaming machine was not operated on the licensed premises unless a written notice had been given to the Commission as required by section 46;
- 12 related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- 22 related to the failure to display signage indicating the percentage payout as required under section 48;
- 1 related to the failure to comply with the Code of Practice as required by section 50;
- 4 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;
- 9 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);
- 18 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;
- 2 related to aiding and abetting 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;
- 9 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);
- 2 related to the failure to comply with the sealing of computer cabinets as required under section 123(1);
- 4 related to the access of a gaming machine by a person who was not authorised as required by section 128;

- 2 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);
- 6 related to the failure to display an approved gambling warning notice on each gaming machine as required under section 151(2)(a);
- 2 related to the failure to display an approved warning notice at each entrance to the gaming area as required by section 151(2)(b);
- 2 related to an employee lending money to a patron on the licensed premises as prohibited by section 154;
- 4 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);
- 5 related to the failure to submit a gaming machine tax return within one week after the end of the relevant month as required under section 162(1);
- 9 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); and
- 1 related to the failure to submit a community contributions return within one month of the end of the financial year as required by section 166.

There were 2 breaches of the *Gaming Machine Regulation 2004* in relation to gaming machine licensees:

- 1 related to the failure to display the linked jackpot amount as required by section 45; and
- 1 related to the failure of a licensee to ensure the minimum percentage payout of a gaming machine was 87% as required by section 76.

There were 27 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (compared to 48 last year) in relation to gaming machine licensees:

- 8 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);
- 1 related to a licensee conducting gambling at the facility with no Gambling Contact Officer appointed for the facility as required by section 1.9(1);
- 1 related to the failure to pay non-cash gaming machine winnings within 3 days as required by section 1.23;
- 1 related to the failure to make information available to patrons as required under section 1.25(3);
- 6 related to the failure to ensure that the correct time was displayed prominently within the facility as required by section 1.26;
- 9 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
- 1 related to the failure to ensure that a promotion did not include an offer of free or discounted alcohol as required by section 30(1)(c).

There were also 14 breaches of the *Lotteries Act 1964* detected (compared to 17 last year) during audits of gaming machine venues:

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

- One matter that was ongoing at the end of the previous financial year has now been completed. The matter involved governance issues that would, if the licensee were applying for a gaming machine licence, cause the licensee to be refused a licence. These issues have now been satisfactorily resolved.
- An investigation was conducted into a staff member at one venue accessing gaming machines and making entries in machine access registers while they were not an Approved Attendant in contravention of sections 71(4) and 128(1) of the *Gaming Machine Act 2004* (the Act). This investigation revealed breaches of sections 39, 71(4) and 128(1) of the Act and sections 1.4(1)(a) and 1.9(1) of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code). This investigation resulted in a warning being issued to an individual and a monetary penalty being imposed on the licensee.
- A separate investigation was conducted into staff members at another venue that were accessing gaming machines and making entries in machine access registers while they were not an Approved Attendant in contravention of sections 71(4) and 128(1) of the Act. This investigation revealed breaches of sections 71(4) and 128(1) of the Act and resulted in the venue receiving a reprimand with direction to submit updated and revised control procedures within 28 days and a suspension of the licensee's gaming machine licence for a period of 7 days. This investigation also resulted in written warnings to 5 individual employees of the venue.
- An investigation was conducted into a staff member lending money to a patron in the licensed premises in contravention of section 154 of the Act. This investigation resulted in warnings to the staff member and the licensee.

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 9 licensees for 15 breaches of the legislation during the reporting period. This compares to action being taken against 7 licensees for 17 breaches last year. The following table summarises these disciplinary matters.

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
Canberra Bowling Club Incorporated	166	Failure to lodge Community Contributions report by the due date (July 2011)	\$150 Monetary Penalty
Canberra Services Club Limited	161	Failure to lodge monthly tax return by due date (July 2011)	Notice of Reprimand
Bresheld Pty Ltd t/a Kambah Inn	39	Failing to comply with a condition of the licence in respect of section 50: - failure to comply with the relevant Code of Practice; - Provide gambling services without completing approved gambling training section 1.4(1)(a) of the Code; and - Conduct gambling at the facility without a gambling contact officer appointed – section 1.9(1) of the Code.	Total monetary penalties \$700 comprising of: \$150 \$250
	71	Unauthorised persons making entries in machine access registers	\$150
	128	Unauthorised persons accessing gaming machines (June 2011)	\$150
Canberra Southern Cross Club Ltd - Jamison	39	Failing to comply with a condition of the licence in respect of section 50: - failure to comply with the relevant Code of Practice; - Conduct (advertise) a promotion that offered free alcohol 1.30(1)(c) of the Code	Notice of Reprimand
Schwartz Family Co Pty Ltd trading as Olims Canberra Hotel (Mercure Hotel)	162	Failure to lodge monthly tax return by due date (November 2011)	Suspension of gaming machine licence for 7 days
Italo-Australian Club (ACT) Limited	21(f)	No longer an eligible person (adverse opinion from auditor)	Cancellation of gaming machine licence (this matter is currently before ACAT)
	21(g)	No longer an eligible person (Club trading while insolvent)	
Federal Golf Club Limited	71	Unauthorised persons making entries in machine access registers	Suspension of gaming machine licence for period of 7 days
	128	Unauthorised persons accessing gaming machines	
Bresheld Pty Ltd trading as Kambah Inn	158	Failure to submit income and expenditure statement for 2010/2011 by due date	Notice of Reprimand
Rokbard Pty Ltd trading as O'Neill's Irish Pub	161	Failure to pay monthly tax by due date (February 2012)	\$150 monetary penalty
Murrumbidgee Country Club Incorporated	161	Failure to pay monthly tax by due date (February 2012)	Notice of Reprimand

One disciplinary matter concerning a licensee's failure to pay the monthly gaming machine tax and the PGAF levy by the due date is ongoing at the time of this report.

Appeals Against Disciplinary Penalties

One Commission decision to take disciplinary action against a licensee was reviewed by the ACT Civil and Administrative Appeals Tribunal (ACAT) during the reporting period:

- Disciplinary action was taken against one licensee for failing to meet the eligibility requirements of section 21(f) and 21(g) of the *Gaming Machine Act 2004* as the licensee's audited financial statements contained an adverse auditor's opinion and the auditor's opinion that the club was trading while insolvent. In March 2012, the Commission resolved to cancel the licensee's gaming machine licence.

The licensee subsequently sought an external review of the Commission's decision with ACAT. The Commission's decision was stayed pending finalisation of the matter by ACAT which is anticipated in late August 2012.

Gaming Machine Related Complaints

The Commission received two gaming machine related complaints during the reporting period. One complaint was substantiated while the other one was not.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

Community Contributions

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

All gaming machine licensees are required to:

- record each community contribution made by the licensee, stating the entity to which, and the purpose for which, each contribution was made and the amount or value of the contribution; and
- within 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 2010-11 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 (seven per cent in 2010-11) of net gaming machine revenue in eligible community contributions.

The 2010-11 report records a total of \$11.7 million in club community contributions from \$100.9 million in net gaming machine revenue, the contributions being 11.63 per cent of the net gaming machine revenue. \$7.9 million or 67.21 per cent of contributions was provided to sport and recreation.

In 2009-10 a total of \$13.2 million was contributed to the community from net gaming machine revenue of \$97.6 million, the contributions being 13.56 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 2010-11 amounted to a total of \$19,553 of which \$12,998 was allocated to sport and recreation (66.48 per cent of total contributions). In 2009-10 total contributions from Hotels/Taverns was \$38,340.

Contact Officer: Mr James Mullan, telephone 6207 0359.

INTERACTIVE GAMING REGULATION

In 2011-12 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.

Following the acquisition of NSW Lotteries Corporation by Tatts Group Ltd on 31 March 2010, the Tatts Group transitioned all Tatts and Golden Casket retail brands to NSW Lotteries commencing from 1 July 2011. As a consequence all Lotto games and Soccer Pools are currently marketed in the Territory by NSW Lotteries Corporation.

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. 5,761 permits were issued in 2011-12 (compared to 5,968 last year), as shown in the table below.

Type of Approval	Amount
Trade Promotion Lotteries	5,305
Raffles	436
Housie	7
Other	13
Total	5,761

A further 937 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 61 audits were conducted on lottery and pool betting providers inclusive of 10 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 30 breaches (compared to 59 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);
- 20 related to the failure to comply with the approved conditions of the lottery, pursuant to section 8(2); and
- 6 related to prohibited advertising pursuant to section 9.

The Commission's audit program detected 5 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 display signs to the effect that people under 18 and intoxicated people are not allowed to gamble as required by section 1.25(1); and
- 3 breaches 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 9 lotteries related complaints during the reporting period. Three complaints were substantiated while six were not.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

RACING AND WAGERING REGULATION

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

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

Race Bookmaking Operations

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

Type of Commission Activity	Number
New Race Bookmaking Licence	0
Renewed Race Bookmaking Licence	4
New Race Bookmaker's Agents Licence	0
Renewed Race Bookmaker's Agents Licence	6
Total current Race Bookmaking Licences as at 30 June 2012	10
Total current Race Bookmaker's Agents Licences as at 30 June 2012	12

Sports Bookmaking Operations

During the year under review, the Commission received a number of inquiries in relation to sports bookmaking in the ACT, however no formal applications were received. 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	3
New Sports Bookmaker's Agents Licence	0
Renewed Sports Bookmaker's Agents Licence	0
Total current Sports Bookmaking Licences as at 30 June 2012	3
Total current Sports Bookmaker's Agents Licences as at 30 June 2012	5
Inactive Sports Bookmaking Licences as at 30 June 2012	2

During the year under review, ACT Government-owned wagering provider ACTTAB Ltd continued with the implementation 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, including the relevant documentation relating to revised harm minimisation and other operational procedures by ACTTAB. The finalisation of ACTTAB's wagering infrastructure replacement program, which was originally scheduled for the 2011-12 reporting year, has been pushed into the 2012-13 year by ACTTAB and will require further Commission involvement including formal approval with respect to ACTTAB's sports bookmaking platforms prior to implementation.

The probity investigation associated with a change to ACTTAB Ltd's sports bookmaking provider, Centrebet Ltd, initiated by the Commission in 2010-11 following an announcement to the Australian Stock Exchange concerning the takeover of Centrebet by UK based wagering enterprise Sportingbet plc, was concluded early in the 2011-12 reporting period. No adverse findings in terms of the suitability requirements of the *Race and Sports Bookmaking Act 2001* were revealed during the investigation.

In August 2011 the Commission was advised that sports bookmaking licensee Sports Alive Pty Ltd had entered into voluntary liquidation. The resolution of Sports Alive's liquidation is a very complex legal and financial matter. The Commission continues to have ongoing contact with the Liquidator and is assisting where it is able. The Commission's primary objectives are the protection of patron funds and to ensure that the directors of Sports Alive are held accountable for their actions.

The Commission's legal representatives participated in an Oral Examination pursuant to the *Corporations Act 2001* (C'ith) of Sports Alive directors that was conducted in the Supreme Court of Victoria in May 2012. The Commission participated in the hearing to ensure that their views on patron funds were appropriately made. The matter is ongoing at the end of the reporting period.

In the first quarter of 2011-12 licensee SportOdds Systems Pty Ltd, which ceased active sports bookmaking operations in September 2004 when it relocated its sports bookmaking business to the Northern Territory, formally surrendered its licence and made arrangements with the Commission for the release of its security guarantee. The Commission issued final instructions for the release of the security guarantee at the end of September 2011.

In December 2011 licensee Networks Pty Ltd sought Commission approval to modify its approved Internet sports betting system. In assessing Networks' request the Commission also examined Networks financial suitability on the basis that Networks had largely been inactive for a number of years and had not conducted large scale sports bookmaking operations for a significant period of time. The assessment of Networks financial suitability led to appropriate restructuring and an injection of new unencumbered equity into the wagering enterprise. The Commission anticipates the successful conclusion of its financial assessment along with the issue of appropriate approvals permitting Networks to recommence trading with its modified Internet sports betting system early in the 2012-13 reporting period.

At the end of the reporting period only one licensee, ACTTAB Ltd, was actively engaged in sports bookmaking operations in the ACT.

Legislative Amendment

In December 2011 the *Race and Sports Bookmaking (Validation of Licences) Amendment Act 2011* was introduced into the Legislative Assembly. The legislation amended the *Race and Sports Bookmaking Act 2001* to ensure the validity of bookmaker licences that transitioned from the *Bookmakers Act 1985* (repealed) to the *Race and Sports Bookmaking Act 2001* on its commencement on 7 September 2001.

The legislation was enacted to dispel any doubt as to the validity of licences with respect to the operation of the *Race and Sports Bookmaking Regulation 2001* and the associated provisions for a six-month transitional arrangement. The legislation achieved this end by deeming the transitioning licences to have commenced on 7 March 2002 bringing licensing arrangements into line with the intention of the Regulation. The Assembly enacted the legislation on 6 December 2011 and it was subsequently notified on 12 December 2011.

Racing

As outlined in previous reports, since 1 March 2010 following the commencement of amendments to the *Racing Act 1999* the Commission has been responsible for the collection and distribution of fees associated with the statutory imposition of the race field information charge and related ancillary functions. As outlined in previous reports, the processes established by the Commission have allowed the Commission to collect and assess an approval holder's relevant assessable turnover and to determine liability to pay the race field information charge.

Towards the end of the 2011-12 reporting period the Commission engaged in processes to ensure that existing race field information approval holders renewed their approvals. During the twelve months to 30 June 2012 the Commission issued two new race field information approvals to licensed wagering operators and assessed and subsequently renewed an additional 55 pre-existing approvals, as indicated in the table below. No approvals were surrendered during the reporting period and no approvals are pending.

Type of Commission Activity	Number
New approvals to use ACT Race Field Information issued to 30 June 2012	2
Total current ACT Race Field Information approvals as at 30 June 2012	55
Approval to use ACT Race Field Information surrendered by applicant	0
Total pending applications to use ACT Race Field Information	0

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 2011 to 30 June 2012 is as follows:

Entity	Amount \$
Canberra Racing Club	1,211,064
Canberra Harness Racing Club	277,851
Canberra Greyhound Racing Club	301,803
Commission Administration Fee	92,973
Total	1,883,691

This compares to a total of \$2,310,597 for 2010-11.

Cross-border Betting Issues

National issues associated with disputes concerning the funding of the racing industry and the manner in which race field information charges may be validly imposed were largely settled in March 2012 when the High Court of Australia made two judgements concerning the appeals by Betfair Pty Ltd and Sportsbet Pty Ltd. The High Court upheld the decisions of the Full Bench of the Federal Court, made in November 2010, concerning Constitutional law, freedom of interstate trade and NSW law authorising the imposition of conditions requiring a fee to be paid to NSW racing control bodies (*Sportsbet Pty Ltd v State of New South Wales*, *Racing New South Wales and Harness New South Wales* [2010] FCA 604 and *Betfair Pty Ltd v Racing New South Wales and Harness New South Wales* [2010] FCA 603).

In essence the High Court decisions in *Betfair Pty Ltd v Racing NSW* [2012] HCA 12 (30 March 2012) and *Sportsbet Pty Ltd v New South Wales* [2012] HCA 13 (30 March 2012) uphold the validity of New South Wales legislation and determined that the related race field information approvals, conditional upon the payment of fees, are valid. The published reasoning of the High Court emphasised that the focus of s92 of the Constitution is upon the effect of a law on interstate trade, not on particular traders, noting that fees are imposed uniformly on both interstate and intrastate wagering operators. The High Court has also held that wagering turnover thresholds are not discriminatory measures of a protectionist kind, where the burden of fees is imposed uniformly on both interstate and intrastate wagering operators. The implications of the decisions as they relate to the ACT scheme are currently under consideration by the ACT Government.

The Commission also notes at the local ACT level that the ACT Government, in response to the report and recommendations of the investigation into the ACT Racing Industry by the Independent Competition and Regulatory Commission (ICRC), has accepted all ICRC recommendations. The Gambling and Racing Commission will assist with the implementation of these recommendations where appropriate.

The Commission continues to closely monitor ACT and national racing industry developments including outcomes or changes based on interstate litigation.

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 did not identify any breaches of the *Race and Sports Bookmaking Act 2001*, *Gambling and Racing Control (Code of Practice) Regulation 2002* in the context of operating wagering licensees or the *Racing Act 1999*.

Information obtained by the Commission after Sports Alive entered into liquidation revealed breaches of the rules governing sports bookmakers in relation to maintaining segregated patron accounts.

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 received several complaints in relation to one sports bookmaker, Sports Alive, during the reporting period. These complaints related to the slow payment of patron fund withdrawal requests by Sports Alive. During the investigation of the slow payments Sports Alive entered voluntary liquidation.

As outlined above, the Commission's primary objective in this matter is to protect patron funds and to ensure that the directors of the sports bookmaker are held accountable for their actions. The matter is very complex and is ongoing at the end of the reporting period.

Race Bookmaker Complaints

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

ACTTAB Related Complaints

The Commission received one complaint during the reporting period relating to ACTTAB. This complaint was unsubstantiated.

UNLAWFUL GAMING

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

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	0	0	0	0	0	0
Gaming Machines	2	1	1	0	0	0
Lotteries	9	3	6	0	0	0
Racing and Wagering	1	0	1	0	0	0
Unlawful Games	0	0	0	0	0	0
Total	12	4	8	0	0	0

The table does not contain information regarding complaints received in relation to the collapse of licensed sports bookmaker Sports Alive Pty Ltd which are covered under that heading below.

One complaint made to the Commission was also forwarded to the Minister for Gaming and Racing regarding a licensee's compliance with the *Gambling and Racing Control (Code of Practice) Regulation 2002*. The Commission investigated the complaint and found that the licensee had not breached a gaming law.

The Commission received one complaint regarding the alleged "misleading nature" of an advertising campaign undertaken by the ACT licensed club industry's peak body ClubsACT. As this complaint did not relate to compliance with a gaming law, the matter was referred to the Office of Regulatory Services (ORS) for determination.

Liquidation of sports bookmaker Sports Alive Pty Ltd

The Commission received a substantial number of inquiries, complaints and requests for assistance from betting clients of licensed sports bookmaker Sports Alive Pty Ltd.

The ACT Ombudsman also received a number of complaints by patrons in similar terms. The Commission assisted the Ombudsman's Office with their review of the matter which was still ongoing at the end of the reporting period (see section B.2 of this report).

Sports Alive entered voluntary liquidation in late August 2011 with a significant level of debt and a critical shortage of funds.

The liquidation is ongoing and the Commission is attempting, in conjunction with the ACT Government Solicitor, to secure a return for Sports Alive account holders.

With the exception of the Sports Alive matters, there were no ongoing or outstanding complaints at the end of the 2011-12 reporting period.

Contact Officer: Mr Mick Hines, 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 matters.

During the reporting period the Commission assisted the Economic Development Directorate with the development of amendments to the *Gaming Machine Act 2004* covering the proposed gaming machine reallocation scheme, a new maximum number of 4,000 machines in the Territory and maximum cash withdrawals from ATMs located in gaming venues.

In addition, the Commission assisted the Department of Justice and Community Safety with a review of Director's Liability Provisions within all relevant Acts that the Commission administers. This review was a result of a COAG Business Regulation and Competition Working Group initiative and sought to standardise directors' liability provisions across jurisdictions.

The Commission also commenced a review of the *Gambling and Racing Control (Code of Practice) Regulation 2002* which the Auditor-General's report on *Monitoring and Minimising Harm caused by Problem Gambling in the ACT* supported (see section B.2 of this report).

The Code, which commenced in 2002 and was last reviewed in 2004, provides gambling licensees with a minimum set of standards that must be met in providing patrons access to their gambling products. It recognises that some people have difficulties controlling their gambling behaviour and that this may lead to harm experienced by the gambler themselves, their family and associates.

As part of the Commission's review of the Code it is anticipated that a Discussion Paper will be circulated later in the 2012 calendar year seeking stakeholder and community comment. A second round of consultation will occur once draft recommendations have been developed.

A.9.3 LEGISLATIVE AMENDMENTS

The following legislative amendment was completed during the reporting period.

Gaming Machine Act 2004

The *Gaming Machine (Club Governance) Amendment Bill 2011* was passed in the Legislative Assembly on 28 June 2011 in the previous reporting period with the majority of provisions commencing on 1 July 2011. However, a number of provisions concerning reporting requirements and club constitutions commenced on 1 July 2012 to allow club licensees to adapt to the changes and make any amendments to their constitutions. The Commission assisted licensees with their constitutions to ensure that they were up to date and consistent with all relevant legislative provisions.

A summary of the amendments is available on the Commission's website.

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.

ANU Centre for Gambling Research

The Centre finalised two research projects during the reporting period. Both projects focused on the further analysis or explanation of data obtained in the 2010 ACT prevalence survey conducted by ANU:

- Help seeking and Uptake of Services Amongst People with Gambling Problems in the ACT; and
- Profiling Problem Gambling Symptoms in the ACT.

Two other research proposals were commenced in the reporting period. It is anticipated that these will be finalised in 2012-13, and are titled:

- Beliefs and knowledge about gambling amongst high-intensity players of gaming machines; and
- Social Engagement and Gambling.

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 three reports during 2011-12:

- Gamblers at Risk and their Help-Seeking Behaviour;
- International Student Gambling: The Role of Acculturation, Gambling Cognitions and Social Circumstances; and
- Gambling and Young People in Australia.

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

- Gambling and Co-morbid Disorders;
- Prevalence Study Standards;
- Interactive Gambling;
- EGM Jackpots;
- Responsible Gambling Environments: validation of in-venue problem gambling indicators; and
- Responsible Gambling Environments: in-venue signage.

These research projects are scheduled to be finalised in the next 12 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;
- the Gaming Machine National Standard Working Party;
- the Australian Lottery Regulators' Working Party; and
- the Art Unions, Raffles and Trade Promotion Lottery 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 Canberra during December 2011 and again in Canberra in March 2012. The Commission's Chief Executive Officer attended both of these meetings.

These meetings are hosted in turn by each jurisdiction with the ACT having its turn during the reporting period. By all accounts it was a very successful conference with the opportunity taken to showcase Canberra to our 60 inter-state and international delegates.

Regulators' Responsible Gambling Working Party (RRGWP)

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

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

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

The RRGWP met on one occasion during the reporting period.

Gambling Research Australia

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 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 have met on several occasions since 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.

Since this announcement the focus of the Federal Government has been on the drafting of its *Gambling Reform Bill* and negotiating with stakeholders on the conduct of the ACT trial of gaming machine pre-commitment technology.

As at the time of writing this report, the *Gambling Reform Bill* had not been tabled in Federal Parliament and negotiations with the ACT club industry on the conduct of the ACT trial had stalled as the *Gambling Reform Bill* outcome was considered critical by the ACT industry. The ACT Government had advised the Federal Government that it would support the conduct of the trial if the local industry was in agreement and it didn't 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 two occasions during the reporting period.

Australian Lottery Regulators' Working Group

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

Art Unions, Raffles and Trade Promotion Lottery Working Party

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

The working party has undertaken some work on the development of National Guidelines to assist applicants in identifying areas of compliance that are common to all jurisdictions however obtaining the agreement of all states has been problematic in relation to some issues.

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 2011-2012

Licensee	Amount \$	Licensee	Amount \$
ACT Rugby Union Club	734	Hellenic Club Group	
Ainslie Group		– Hellenic Club in the City	6,656
– Ainslie Football and Social Club	44,417	– Hellenic Club of Canberra	73,068
– Canberra City Bowling Club	859	Hockey Centre (The) ①	30
– Gungahlin Lakes Golf & Comm Club	51,970	Italo Australian Club	3,896
Australian Croatian Club	100	Magpies Group	
Austrian Australian Club	928	– Magpies Belconnen Golf Club	1,806
Belconnen Bowling Club	651	– Magpies City Club	5,041
Belconnen Soccer Group		– Magpies Sports Club	17,609
– Belconnen Soccer Club - Hawker	12,786	Mawson Club	36,014
– Belconnen Soccer Club - McKellar	14,902	Murrumbidgee Country Club	948
Canberra Bowling Club	433	National Press Club	468
Canberra Club (The)	1,575	Spanish Australian Club Incorporated	63
Canberra Deakin Football Club	4,792	Tennis ACT	456
Canberra Highland Society & Burns Club	16,311	Tuggeranong Rugby Union Group	
Canberra Irish Club Limited	4,384	– Chisholm Sports Club	32,253
Canberra Labor Group		– Lanyon Valley Rugby Union & Amateur Sports Club	30,841
– Canberra Labor Club	103,595	– Town Centre Sports Club	42,657
– City Labor Club	18,993	– Tuggeranong Valley Rugby Union & Amateur Sports Club	51,706
– Ginninderra Labor Club	30,522	– Vikings Capital Golf Club ①	1,620
– Weston Creek Labor Club	10,197	West Deakin Hellenic Bowling Club	122
Canberra Racing Club	29	Woden Tradersmens Union Club	25,149
Canberra Raiders Group		Yowani Country Club	2,459
– Braddon Club (The)	2,674	Sub Total - Clubs	1,085,744
– Raiders Gungahlin	51,412		
– Tuggeranong Valley Leagues Club	883	Civic Pub	323
– Raiders Belconnen	33,238	Fyshwick Tavern	1,124
– Raiders Weston	23,143	Kambah Inn	667
Canberra Southern Cross Group		Kingston Hotel	456
– Southern Cross Club	86,731	Moby Dick's Tavern	129
– Southern Cross Club - Jamison	26,103	Mercure Canberra	238
– Southern Cross Club - Kaleen	2,751	O'Neills Irish Pub	458
– Southern Cross Club – Tuggeranong	52,640	PJ O'Reilly's Tuggeranong Irish Pub	272
– Southern Cross Club - Turner	2,112	Statesman Hotel Motel	289
– Southern Cross Club - Yacht Club	1,140	Wood Duck Inn	1
Canberra Tradersmens Union Club	85,569	Sub Total – Hotels/Taverns	3,957
Eastlake Group			
– Calwell Club	27,064	Casino Canberra	45,455
– Eastlake Football Club	23,564	ACTTAB	45,455
– Sports Club Kaleen	13,080	Sub Total - Others	90,910
Federal Golf Club	220		
Harmonie German Club	2,380	TOTAL ②	1,180,611

① No longer a licensee at 30 June 2012.

② Total income to the Problem Gambling Assistance Fund does not include \$10,106 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 is tasked with administering the Fund. Following the conduct of a public tender process, Mission Australia was selected to provide problem gambling support services 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 first year of service, Mission Australia conducted 425 counselling sessions for people with gambling related issues, 64 counselling sessions for the family or friends of gamblers and 85 financial counselling sessions. Mission also took an active role in promoting the service in the ACT. This included a media campaign, launched in Responsible Gambling Awareness Week in May, which included the slogan 'If you have to lie, we have to talk'. The promotion is continuing and seeks to encourage people experiencing harm from gambling, or their family and friends, to contact Mission Australia.

Mission Australia has also been active in engaging with stakeholders to develop pathways to their service. This includes training for Gambling Contract Officers, developing forums to allow the networking of ideas and providing promotional material which could be accessible to people where they gamble. More broadly, Mission Australia has engaged with the Canberra community through visits to tertiary institutions during 'O week', information sessions for sporting groups and networking with referral agencies including those assisting Indigenous or culturally and linguistically diverse Canberrans.

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 meetings in February and June 2012 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, ensures 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 to date.

Problem Gambling Assistance Fund – Projects and Funding as at 30 June 2012

Project Name	Outcomes	Progress	Funds Committed (excluding GST)	Funds Spent in 2011-12 (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.	The first training course was attended by 17 participants on 29 May 2012. A second course, scheduled for July 2012, has a similar number of attendees confirmed.	\$40,000	<p>\$2,616</p> <p>\$172</p>	<p>The Association of Children's Welfare Agencies Inc. For the provision of training.</p> <p>Gambling and Racing Commission for reimbursement of refreshments.</p>
Gambling Help Online	Residents of the ACT have 24/7 access to online problem gambling counselling and support.	The Minister for Gaming and Racing signed a new MOU for the continuation of the service for 2012-2015.	\$28,418	nil	N/A

Project Name	Outcomes	Progress	Funds Committed (excluding GST)	Funds Spent in 2011-12 (excluding GST)	Recipient of funds
Acquisition and Introduction of Online 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. 	The Tasmanian Department of Treasury has supplied a copy of their database (TGES) to the ACT at no charge. Shared Services (Information and Communication Technology) is assessing the database to determine its suitability with the ACT's business requirements.	\$20,000 (to date)	\$2,746	Gambling and Racing Commission for reimbursement of fact finding visit to Tasmanian Treasury.
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 project description and brief is being prepared for consideration by businesses with the appropriate expertise.	\$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. The ANU Centre for Gambling Research has commenced this research project.	\$95,000	\$33,145	Australian National University Centre for Gambling Research for the conduct of identified research project.
TOTAL			\$2,370,827	\$689,409^①	

① Total expenditure from the Problem Gambling Assistance Fund does not include \$48 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, which included the launch of their marketing campaign which ran the slogan 'If you have to lie, we have to talk'. The focus of their campaign was to raise awareness for the ACT Service and encourage those in need to attend.

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 171,623 unique visitors and delivered 1,186 counselling sessions. There were 1,515 visitors from the ACT during the reporting period, representing 0.6% 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 3 teleconferences 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 215 calls received from the ACT over the period July 2011 - June 2012. 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 residence 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 Cabinet 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 2011-12 with 2010-11 included for comparison. The table gives the percentage change in the 2011-12 result relative to the 2010-11 result.

	INDICATOR	2010-11 Result	2011-12 Result	% Change
ECONOMIC	Employee Expenses			
	▪ Number of staff employed (head count)	▪ 32	▪ 32	▪ 0
	▪ Total employee expenditure (dollars)	▪ 2.388m	▪ 2.523m	▪ 5.7
	Operating Statement ^①			
ENVIRONMENTAL	▪ Total expenditure (dollars)	▪ 3.609m	▪ 4.680 m	▪ 29.7
	▪ Total own source revenue (dollars)	▪ 0.333m	▪ 1.434 m	▪ 330.6
	▪ Total net cost of services (dollars)	▪ (3.276m)	▪ (3.246m)	▪ 0.9
	Economic Viability			
	▪ Total assets (dollars)	▪ 7.549m	▪ 9.356m	▪ 23.9
	▪ Total liabilities (dollars)	▪ 5.231m	▪ 5.818m	▪ 11.2
	Transport			
	▪ Total number of fleet vehicles	▪ 2	▪ 2	▪ 0
	▪ Total transport fuel used (kilolitres)	▪ 0.820	▪ 0.720	▪ (12.2)
	▪ Total direct greenhouse emissions of fleet (tonnes of CO2e)	▪ 2.03	▪ 1.78	▪ (12.3)
ENVIRONMENTAL	Energy Use			
	▪ Total office energy use (megajoules)	▪ 157,118	▪ 149,794	▪ (4.7)
	▪ Office energy use per FTE (megajoules/FTE)	▪ 5,392	▪ 5,112	▪ (5.2)
	▪ Office energy use per square metre (megajoules/m ²)	▪ 296	▪ 282	▪ (4.7)
	Greenhouse Emissions			
	▪ Total office greenhouse emissions - direct & indirect (tonnes of CO2e)	▪ 7.79	▪ 26.48	▪ 239.9
	▪ Total office greenhouse emissions per FTE (tonnes of CO2e/FTE)	▪ 0.27	▪ 0.90	▪ 233.3
	▪ Total office greenhouse emissions per square metre (tonnes of CO2e/m ²)	▪ 0.01	▪ 0.05	▪ 400
	Water Consumption			
	▪ Total water use (kilolitres)	▪ 272	▪ 273	▪ 0.4
SOCIAL	▪ Office water use per FTE (kilolitres/FTE)	▪ 9.33	▪ 9.31	▪ (0.2)
	▪ Office water use per square metre(kilolitres/m ²)	▪ 0.51	▪ 0.51	▪ 0
	Resource Efficiency and Waste			
	▪ Estimate of co-mingled office waste per FTE (litres)	▪ 871	▪ 1,016	▪ 16.6
	▪ Estimate of paper recycled (litres)	▪ 11,983	▪ 10,373	▪ (13.4)
	▪ Estimate of paper used (by reams) per FTE	▪ 14.4	▪ 20.5	▪ 42.4
	The Diversity of Our Workforce			
	▪ Women (Female FTEs as % of total workforce)	▪ 41	▪ 46.9	▪ 14.4
	▪ People with a disability (as % of total workforce)	▪ 0	▪ 0	▪ 0
	▪ Aboriginal and Torres Strait Islander people (as % of total workforce)	▪ 0	▪ 3.1	▪ -
SOCIAL	▪ Staff with English as second language (as % of total workforce)	▪ 0	▪ 0	▪ 0
	Staff Health and Wellbeing			
	▪ OH&S Incident Reports	▪ 0	▪ 1	▪ -
	▪ Accepted claims for compensation	▪ 0	▪ 0	▪ 0
	▪ Staff receiving influenza vaccinations	▪ 14	▪ 13	▪ (7.1)
	▪ Workstation assessments requested	▪ 9	▪ 6	▪ (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 Roslyn Dundas - ACT Council of Social Services;
- Mr Victor Marillanca - Canberra Multicultural Community Forum Incorporated;
- Mr Paul Flint - Council on the Ageing;
- Ms Lisa Short - Mission Australia; and
- Ms Jancye Winter - Office of Multicultural, Aboriginal & Torres Strait Islander Affairs.

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 advisory 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 two occasions and comprised of the following representatives:

- Mr Greg Jones - ACT Gambling and Racing Commission;
- Ms Roslyn Dundas - ACT Council of Social Services;
- Ms Louise Gleeson – ClubsACT;
- Ms Bernie Morris – Casino Canberra;
- Ms Mary Jane Lalliard – ACTTAB; and
- Mr Lloyd Meehan – Community Services Directorate.

B.1.3 COMMUNITY CONSULTATION

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.	9 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.

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 reporting period the Commission was subject to one formal review by the ACT Ombudsman. This review related to the collapse of Sports Alive and the failure of that sports bookmaker to maintain segregated patron accounts as required by the rules covering the operations of sports bookmakers. This matter is ongoing at the end of the reporting period.

The following table identifies the internal audit reports that were either initiated by the Commission or the Auditor-General's Office and were finalised during 2011-12. The table lists the recommendations and any related outcomes that were identified in the reports along with the Commission's/Government's response to the recommendations.

Name of Inquiry/Report Title	Recommendation/Outcomes of Inquiry/Report	Response to the Recommendations/Outcomes	Implementation Action
<p>Auditor-General's Report Number 1 of 2012 – Monitoring and Minimising Harm Caused by Problem Gambling in the ACT. Tabled April 2012.</p>	<p>1. Review the gambling Code of Practice</p> <ul style="list-style-type: none"> a) recent developments in other jurisdictions and research; b) and means to encourage licensees to: <ul style="list-style-type: none"> i) undertake staff refresher training every three years; ii) provide routine briefings by Gambling Contact Officers to other staff who provide gambling services, particularly casual or part-time staff, to bring about a better understanding of the responsibilities of staff under the Code of Practice and the identification of incidents that might suggest a patron may have problem gambling symptoms; iii) prepare procedures to guide staff on the use of the Problem Gambling Incident Register and encourage consistency in reporting and recording incidents; iv) ensure all information relating to problem gambling is made available to patrons in 'a conspicuous way' and that this information presents accurate facts on the chances of winning major prizes, programs for exclusions from gambling, the availability of interpreter services, and the names and contacts for Gambling Contact Officers; v) improve the consistency of the content of signage and warning notices to patrons and ensure that these are also presented in 'a conspicuous way'; vi) enhance the use of the Register of Excluded People maintained by licensees; and vii) restrict the capacity for gamblers to reserve gaming machines in licensed venues. 	<p>Agreed.</p> <p>The Gambling and Racing Commission (The Commission) has commenced a review of the <i>Gambling and Racing Control (Code of Practice) Regulation 2002</i>. Recent developments in other jurisdictions and relevant research will be taken into account, along with submissions and comments made as part of the review consultation process. The findings of this process will be used to encourage licensees to undertake the actions detailed in Recommendation 1) b) i-vii of the Report.</p>	<p>The Commission has commenced a review of the Code which is expected to be completed by mid-2013. The review is currently researching recent developments in other jurisdictions and identifying relevant research. Stakeholder comments will be sought from a public consultation process.</p> <p>Review outcomes will be used to address the issues described in Recommendation 1) b) i-vii.</p>

Name of Inquiry/Report Title	Recommendation/Outcomes of Inquiry/Report	Response to the Recommendations/Outcomes	Implementation Action
	<p>2. Improve the Commission's corporate planning and reporting</p> <p>The ACT Gambling and Racing Commission should improve its corporate planning and reporting by:</p> <ul style="list-style-type: none"> a) specifically reporting against the objectives and strategies included in its Strategic Plan; b) better aligning information used in its Strategic Plan, Annual Reports and its Budget Papers/Performance Measurement Framework; and c) supporting its Corporate Plan with an action plan or its equivalent. 	<p>Agreed</p> <p>The Commission will provide more specific reporting on its Strategic Plan objectives and will formalise its implementation or action plan.</p>	<p>The Commission's performance measures have been revised to ensure they are better aligned with the Commission's Strategic Plan. These new measures are included in the Commission's 2012-13 Statement of Intent and 2012-13 Budget Papers.</p> <p>The Commission's 2011-12 Annual Report includes reporting against the objectives and strategies in the Commission's Strategic Plan, Statement of Intent and Budget Papers.</p> <p>An action plan to support its Corporate Plan will be developed in the near future with input from all Commission staff.</p>
	<p>3. Enhance the monitoring of research</p> <p>The ACT Gambling and Racing Commission should enhance its research and monitoring of the risks and costs of problem gambling in the ACT and gambling harm by:</p> <ul style="list-style-type: none"> a) defining and documenting its procedure for reviewing and analysing research findings and recommendations; b) using a statement of consideration (or similar document) to explicitly show how research findings and recommendations have been considered by the Commission; c) undertaking studies of gambling prevalence in the ACT at a minimum every five years, and considering the value of reducing this to every three years; and d) expanding its research program to include fostering research aimed at establishing a performance measurement framework to assess the Commission's achievements against its requirements under legislation. 	<p>Agreed</p> <p>The Commission will enhance and formalise its research evaluation and implementation procedures to ensure relevant research projects are fully and consistently considered.</p>	<p>The Commission is currently formalising its research evaluation and implementation procedures. Amended procedures are due for completion in December 2012.</p> <p>Prevalence studies are scheduled to be undertaken every five years based on effort and cost involved. This allows for further targeted research to be conducted based on prevalence study outcomes while providing for regular base-line data updates. The next prevalence study is due to be undertaken by the end of 2014.</p>

Name of Inquiry/Report Title	Recommendation/Outcomes of Inquiry/Report	Response to the Recommendations/Outcomes	Implementation Action
	<p>4. ACT Government opportunities to integrate activities. The ACT Gambling and Racing Commission and ACT Government agencies (such as the Health, Community Services, Education and Training and Economic Development Directorates) should identify opportunities for integrating their activities to minimise harm caused by problem gambling.</p>	<p>Agreed The sharing of knowledge has already occurred in some areas including education and community services. Further co-ordination of stakeholder activity will be undertaken.</p>	<p>The Commission and the Economic Development Directorate will continue to expand contact with other relevant agencies on an ongoing basis with the view to identifying opportunities to integrate activities to minimise harm caused by problem gambling.</p>
	<p>5. Guidance and recognition for gambling venues The ACT Gambling and Racing Commission should:</p> <ul style="list-style-type: none"> a) provide guidance to licensees in how best to meet the requirements of the Code of Practice through developing a 'Better Practice Guide' or using some other mechanism; and b) acknowledge licensees that adopt better practices. 	<p>Agreed The Commission considers that the provision of guidance material will assist licensees achieve an enhanced understanding of requirements to enable them to better utilize the tools provided under the Code of Practice for managing problem gambling. Acknowledging those licensees that are performing well and using those examples as incentives for others to follow is considered a positive step.</p>	<p>A 'Better Practice Guide' along with any other assistance for licensees is expected to be available in 2014 following the completion of the review of the Code of Practice.</p> <p>Licensees that demonstrably adopt better practices will be acknowledged by the Commission from 2015 onwards following the review of the Code of Practice and the development of the 'Better Practice Guide'.</p>

Name of Inquiry/Report Title	Recommendation/Outcomes of Inquiry/Report	Response to the Recommendations/Outcomes	Implementation Action
	<p>6. Mission Australia working with the gambling industry to encourage a consistent approach</p> <p>The ACT Gambling and Racing Commission should, in conjunction with Mission Australia, work closely with the ACT's gambling industry with the intention of:</p> <ul style="list-style-type: none"> a) increasing awareness and understanding among gambling venue staff of their roles and responsibilities in addressing gambling harm; and b) encouraging more consistent implementation to the Code of Practice relating to minimising harm caused by problem gambling. 	<p>Agreed</p> <p>The Commission agrees that increasing the awareness and skills of venue staff to enable them to better manage problem gambling in their venue is a positive step. Increased interaction with Mission Australia and between venues is considered to be useful in this area.</p> <p>Enhanced information sharing and training opportunities will provide a more skilled workforce that is likely to result in greater consistency in the implementation of Code of Practice requirements and principles.</p>	<p>The Commission will continue to encourage and support Mission Australia to increase awareness and understanding of venue staff responsibilities. As necessary, the Problem Gambling Assistance Fund could be used to provide assistance, support and training to staff, Gambling Contact Officers and gaming managers.</p> <p>This increased liaison will ensure that venue staff will have a better understanding of Mission Australia's roles and responsibilities in addressing gambling harm.</p> <p>A more consistent implementation of harm minimisation measures across venues is expected from 2015 following the review of the Code of Practice and development of the 'Better Practice Guide'.</p>
	<p>7. Implement an electronic exclusion database</p> <p>The ACT Gambling and Racing Commission should complete the redevelopment and implementation of the computerised exclusion database as a high priority.</p>	<p>Agreed</p> <p>The Commission has commenced work in this area as a high priority and will continue to work on development and implementation of the Online Exclusion Database and the necessary Code of Practice amendments.</p>	<p>The Commission is currently working with Shared Services ICT on a comprehensive business requirement specification for the development of the Online Exclusion Database. Completion and implementation of the project is expected in 2013.</p>

Name of Inquiry/Report Title	Recommendation/Outcomes of Inquiry/Report	Response to the Recommendations/Outcomes	Implementation Action
	<p>8. Increase public awareness</p> <p>The ACT Gambling and Racing Commission should enhance its public awareness actions relating to responsible gambling and the risks of gambling harm. This could include:</p> <ul style="list-style-type: none"> a) a direct link to the local counselling service provider website from, the Commission's website, once Mission Australia establishes its website; b) up-grading the Commission's website; c) enhancing promotion of the Commission's website especially in gaming venues; d) undertaking further research to inform the targeting of different groups; and e) making information on problem gambling symptoms available widely to assist people self-diagnosing gambling problems. 	<p>Agreed</p> <p>Within available resources, enhancing licensee and public awareness is considered a positive step to increasing the knowledge about potential gambling issues and encouraging early intervention for those experiencing problems with their level of gambling activity.</p>	<p>The Commission's problem gambling website already provides a link to the new Mission Australia website. The Commission is currently in the process of upgrading its problem gambling website which is expected to be completed by July 2013.</p> <p>In October 2011 the ANU, through the Commission, published the research report: <i>Profiling Problem Gambling Symptoms in the ACT: Socioeconomic and Demographic Characteristics and Gambling Participation</i>. This report helps to inform decisions about targeting assistance programs to where they are most needed.</p> <p>The symptoms of problem gambling will be made more widely available through the Commission's enhanced website to assist people to self-diagnose. Links to Mission Australia's website will also assist along with the ongoing availability of the Commission's 'Self Help' brochures in gaming venues.</p>
	<p>9. Set a time frame and strategy to reach the lower gaming machine cap</p> <p>The ACT Government should set a time to achieve the 4,000 gaming machine cap and implement strategies to meet the target.</p>	<p>This recommendation is not agreed to by the Government.</p>	<p>N/A</p>

Name of Inquiry/Report Title	Recommendation/Outcomes of Inquiry/Report	Response to the Recommendations/Outcomes	Implementation Action
Tax Compliance Review – Internal Audit (March 2012).	The Commission should update its procedures to ensure that they are in line with the latest ATO changes as well as including additional information to ensure best practice.	Agreed. Procedures will be updated to ensure latest ATO changes and additional information to ensure best practice are included.	The Commission's procedures have been updated to include latest ATO changes and additional information to ensure best practice. These procedures have been disbursed to all relevant staff.
	We recommend that formal FBT/BAS cover sheets be developed and implemented.	Agreed. FBT/BAS cover sheets will be developed and used for all lodgements to reflect current review practice.	BAS and FBT cover sheets have been developed and are currently utilized for all lodgements.

Three matters were referred to the ACAT for review during the reporting period which are described at section A.9.1 of this report.

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 2011-12 Financial Report and Statement of Performance with no significant matters identified during the process (see sections A.6 and A.7).

B.3 LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

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

Legislative Committee	Report No	Title	Date Presented
Standing Committee on Public Accounts	23	Annual and Financial Reports 2010-2011	May 2012

The Annual and Financial Reports 2010-2011 can be viewed via the following link:

<http://www.legassembly.act.gov.au/downloads/reports/PAC23%20AR10.pdf>

Legislative Committee	Report No	Title	Date Presented
Select Committee on Estimates 2012-2013	-	Appropriation Bill 2012-2013	ongoing

The Appropriation Bill 2012-2013 can be viewed via the following link:

<http://www.parliament.act.gov.au/committees/index1.asp?committee=177>

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

The Enquiry into the Gaming Machine Amendment Bill 2011 can be viewed via the following link:

<http://www.legassembly.act.gov.au/downloads/reports/PAC24%20Gaming%20Machine%20Amendment%20Bill.pdf>

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*. The Commission monitors this Risk Management Plan on a regular basis to ensure its currency and also to identify emerging risks.

The Commission has an Internal Audit Program which has been developed after identifying areas of potential operational and financial risk. The role of the Commission's internal audit committee is provided by the Commission Board. Internal Audits are outsourced to members of the ACT Government Internal Audit Services Panel. There was one internal audit "Taxation Compliance Review" conducted during the reporting period.

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

The Commission is included in the Economic Development Directorate's 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.

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 April 2011 to ensure that it remains current and relevant.

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

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 2012.

Functions and Powers

The Commission's functions and powers are to:

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

Included in these broad functions are the following:

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

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

Public Participation in Decision-making

Arrangements for public participation in decision-making include:

- public submissions to inquiries and reviews of legislation;
- stakeholder feedback on policies, procedures and legislation;
- interaction with industry, community and welfare organisations;
- 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), Civic 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)

There were three requests received by the Commission under section 18 of the FOI Act, during the reporting period. The Commission also provided information to Economic Development Directorate regarding one FOI request.

Number of requests received under section 18 and response times

No. requests received	30 days or less	31-45 days	46-60 days	61-90 days	91 days or more	Not yet finalised
3	2	-	1	-	-	-

Access decisions

Full Release	Partial Access	Total Exemption	Technical Refusal (no documents)	Withdrawn
-	1	-	-	2

Decisions appealed

Requests for Internal Review	Affirmed	Partial Release	Overtaken
-	-	-	-

Referrals to the ACT Civil and Administrative Tribunal (ACAT)

Requests to ACAT	Affirmed	Overtaken	Ongoing
-	-	-	-

Fees and Charges (for requests with > 10 hours processing time)

Request for personal affairs remission		Request for financial hardship remission		Request for public interest remission	
Accepted	Refused	Accepted	Refused	Accepted	Refused
-	-	-	-	-	-

Application Type

Member of public	Solicitor	Media	Association/ Organisation	Politician	Company
-	1	1	1	-	-

Request to amend personal records (section 48)

Requests	Affirmed	Overtaken	Ongoing
-	-	-	-

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 onwards are approved by the Minister for Gaming and Racing. 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 2011 to June 2012. During the reporting period Ms Joan Perry's appointment expired on 9 February 2012 and Ms Alice Tay was appointed to the role on 19 June 2012.

ACT Gambling and Racing Commission Members' Attendance at Meetings - July 2011 to June 2012

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

There was no meeting held in January 2012 or May 2012.

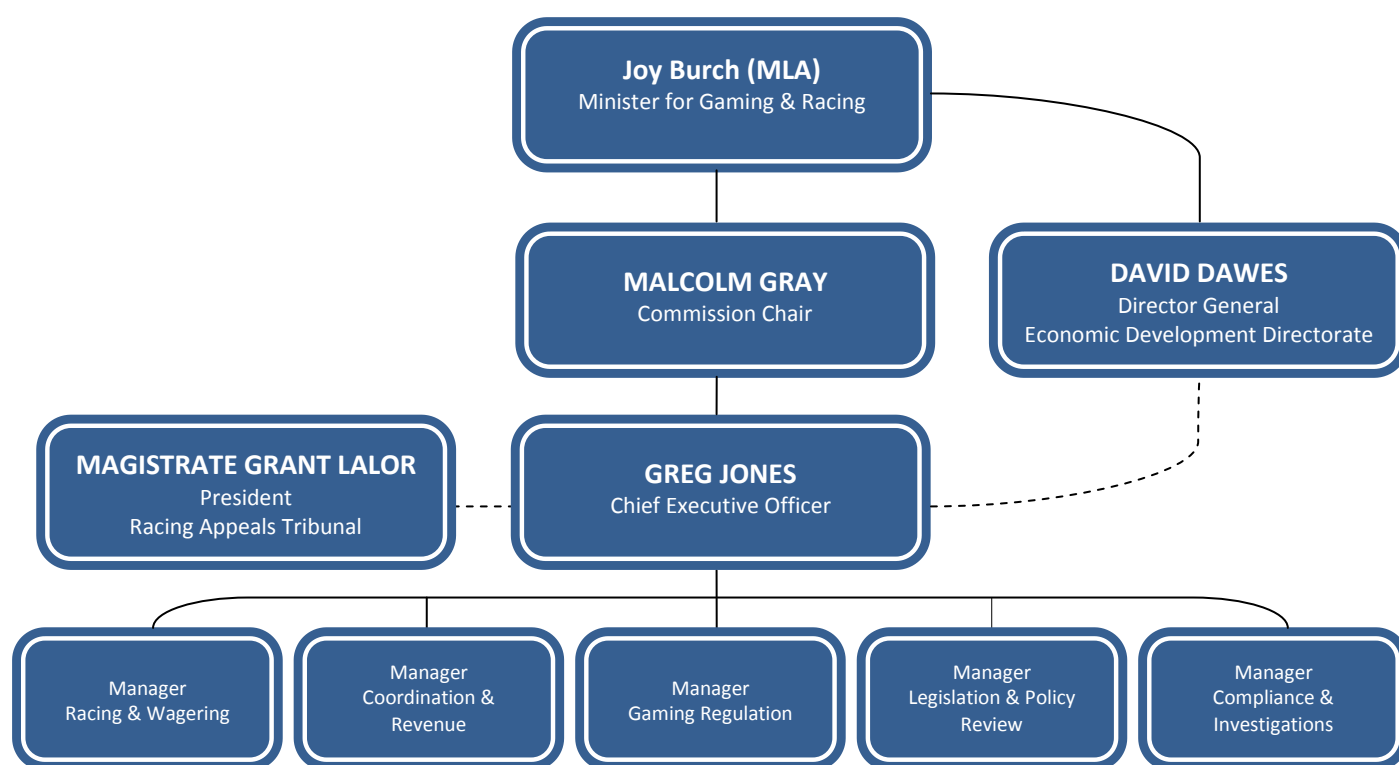
The ACT Remuneration Tribunal, in accordance with the *Remuneration Tribunal Act 1995*, determines the remuneration of the executive and non-executive Commission members.

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 Malcolm Gray</p> <p>Chairperson</p> <p>(Appointed from 18 December 2009 for a period of three years)</p>	BA, MA	<p>Mr Gray has worked in academia in the UK, US and Australia, occupied senior positions in the Commonwealth Public Service, including a period in the Prime Minister's Office, and was Group Economist at CRA Ltd, now Rio Tinto Ltd, for two years. He has been involved in teaching and research in economics, the development of a wide range of public policies, and the strategic management of a large, transnational public company. In 1997 he founded Analytic Outcomes, an independent economic consultancy, which continues to form the base of his varied portfolio of activities. In 2001 he joined with Tony Beck in relaunching the Australian Emissions Trading Forum (AETF). In 2002, Malcolm was appointed to the board of the National Electricity Market Management Company (NEMMCO). From 1 July 2011 Malcolm was appointed as Senior Commissioner with the ACT Independent Competition and Regulatory Commission.</p>
<p>Mr Mark Rolfe</p> <p>Deputy Chairperson & Member</p> <p>(Appointed from 18 September 2011 for a period of three years)</p>	Certificate IV in Assessment and Workplace Training	<p>Mr Rolfe is the Managing Director of Rolfe Property Services, a company specialising in cleaning and associated services in the ACT. He is a past Vice President of the Building Service Contractors Association of Australia (ACT Division). Over the past decade, Mr Rolfe has also involved himself in the fostering of the local Small Business industry, serving on the Committee of the Micro and Home Business Association and lecturing in Small Business practice at the Canberra Institute of Technology and CIT Solutions. Mr Rolfe is a qualified workplace assessor and holds a Certificate IV in Assessment and Workplace Training.</p>
<p>Ms Alice Tay</p> <p>Member</p> <p>(Appointed 19 June 2012 for a period of three years)</p>	LLB	<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>	Ph.D, M.Sc., MBA, B.Sc., BA, Grad Dip Marketing, Grad Dip Counselling	<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>	BA (Hons)	<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 also has in place a Risk Management Plan and Fraud and Corruption Prevention Plan which are actively monitored with regular reports to the governing board.

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

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

C.6 HR PERFORMANCE

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

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

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

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

C.7 STAFFING PROFILE

The Commission has the following staffing profile.

FTE and Headcount		
	Female	Male
FTE by Gender	12.5	16.8
Headcount by Gender	15	17
% of Workforce	47%	53%

Classifications			
Classification Group	Female	Male	Total
Executive Officers	0	1	1
Senior Officers	3	9	12
Administrative Officers	12	7	19
Total	15	17	32

Employment Category by Gender			
Employment Category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	7	15	22
Permanent Part-time	7	0	7
Temporary Full-time	1	1	2
Temporary Part-time	0	1	1
Total	15	17	32

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	2	1	0	3	0	4	2
2 to 4 years	0	0	0	2	2	1	0	2	2	5
4 to 6 years	0	0	0	0	1	0	1	0	2	0
6 to 8 years	0	0	1	0	1	1	0	0	2	1
8 to 10 years	0	0	2	1	1	1	1	0	4	2
10 to 12 years	0	0	0	2	1	1	0	0	1	3
12 to 14 years	0	0	0	0	0	0	0	0	0	0
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	5.5
Male	10.6
Total	8.2

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

Agency Profile	
FTE	Headcount
29.3	32

Agency Profile by Employment Type		
Permanent	Temporary	Casual
29	3	0

Equity and Diversity					
	A Aboriginal and/or Torres Strait Islander Employment	B Culturally & Linguistically Diverse Employment	C Employment of people with a disability	Number of employees who identify in any of the Equity & Diversity Categories (A, B, C)*	Women
Headcount	1	0	0	1	15
% Total of Staff	3.1%	0	0	3.1%	46.9%

* 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 2011-12. A summary of courses attended by Commission staff is outlined in the following table.

Learning & Development Initiative	Number of participants
Dreamweaver CS5 Essentials	1
Health & Safety Representative Training	2
Introduction to Policy	1
Legislative Assembly Public Seminar Series 2011	2
Microsoft Outlook Essentials	1
Microsoft Word Advanced	1
Respect, Equity & Diversity General Training	20
Respect, Equity & Diversity Managers' Training	9
Writing for Government	7
Senior First Aid Training	1
ACTSmart Staff Education Awareness Training	18
Dealing With Change Awareness Training	8
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 three staff members received study assistance in relation to a Bachelor of Criminology and Criminal Justice qualification, Certificate IV in Business and Certificate III in Accounts Administration.

The 2011-12 ACTPS Training Calendar was also utilised as part of the Commission's training and development scheme with 41 staff members attending ACTPS courses at a cost of \$6,806.

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 Directorates 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 injury or illness and 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 has become 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
- establishment of 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 2011	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 2011	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 2011	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 2011
Individual and Group SEAs	N/A	N/A
AWAs (includes AWAs ceased during period)	SOGB - SOGA	\$121,746 - \$125,552

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 did not have any capital works expenditure during the reporting period.

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
Gaming Machine Database Solution	Development and support of a new gaming machine database	\$40,405	Open tender	N/A	April 2010
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

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 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 allow people to establish links with their Aboriginal or Torres Strait Islander heritage. Whenever such a record is created, received or identified, the Commission 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 there were no investigations or requests under section 18 of the *Commissioner for the Environment Act 1993*.

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 Cabinet Directorate, Corporate Services Branch, and are based on the Commission's net lettable office area.

	Indicator as at 30 June	Unit	2010-2011		2011-2012	
Line	General		Office	Total	Office	Total
L1	Occupancy - office staff full-time equivalent	Number (FTE)	29.14	29.14	29.3	29.3
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	43,644	78,647	41,609	71,833
L4	Renewable energy use (GreenPower + EDL land fill gases) ③	Kilowatt hours	17,050	17,050	16,760	16,760
L5	Percentage of renewable energy used (L4/L3 x 100)	Percentage	39%	22%	40%	23%
L6	Natural Gas use	Megajoules	0	120,491	0	135,760
L7*	Total energy use	Megajoules	157,118	403,621	149,794	394,359
L8	Energy intensity per FTE (L7/L1)	Megajoules/FTE	5,392	13,851	5,112	13,459
L9	Energy intensity per square metre (L7/L2)	Megajoules/m ²	296	760	282	742
	Transport Energy		Office	Total	Office	Total
L10	Total number of vehicles	Numeric	2	2	2	2
L11	Total vehicle kilometres travelled	Kilometres	9,735	9,735	8,948	8,948
L12	Transport fuel (Petrol)	Kilolitres	0.820	0.820	0.720	0.720
L16*	Total transport energy use	Gigajoules	28.04	28.04	24.62	24.62
	Water		Office	Total	Office	Total
L17	Water use	Kilolitres	0	272	0	273
	Intensities					
L18	Water use per office FTE (L17/L1)	Kilolitres/FTE	0	9.33	0	9.31
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	421	421	602	602
L21	Recycled content of paper purchased	Percentage	50	50	50	50
L22	Estimate of general waste **	Litres	25,386	25,386	29,770	29,770
L23	Estimate of comingled material recycled **	Litres	4,223	4,223	3,781	3,781
L24	Estimate of paper recycled **	Litres	11,983	11,983	10,373	10,373
L25	Estimate of organic material recycled **	Litres	3,301	3,301	2,884	2,884
	Greenhouse Gas Emissions		Office	Total	Office	Total
L26*	Total stationary energy greenhouse gas emissions (All Scopes)	Tonnes CO ₂ -e	28.43	73.75	26.48	67.57
L27*	Total transport greenhouse gas emissions (All Scopes)	Tonnes CO ₂ -e	2.03	2.03	1.78	1.78
	Intensities					
L28	Greenhouse gas emissions per person (L26/L1)	Tonnes CO ₂ -e FTE	0.98	2.53	0.90	2.31
L29	Greenhouse gas emissions per square metre (L26/L2)	Tonnes CO ₂ -e	0.05	0.14	0.05	0.13
L30	Transport greenhouse gas emissions per person (L27/L1)	Tonnes CO ₂ -e FTE	0.07	0.07	0.06	0.06

* = 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.

③ 2010-11 data updated based on information provided by Chief Minister and Cabinet Directorate.

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:

- participation in the OfficeSmart sustainability program coordinated by the Environment and Sustainable Development Directorate;
- 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.

Additionally, it is understood that major capital works to improve the energy efficiency of the building occupied by the Commission is 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;
- continued replacement of the computerised Building Management System; and
- commencement of 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 environment 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.

The Plan sets out several key focus areas for reporting by ACT Government agencies:

- Information & Communication;
- Health & Wellbeing;
- Respect, Valuing & Safety;
- Housing & Accommodation;
- Support Services;
- Transport & Mobility; and
- Work & Retirement.

The Commission has been able to address the following key priority areas of the plan during the reporting period.

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 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 *Law Officer Act 2011*, (LO Act) Division 2.2, requires all agencies to comply with the Law Officer (Model Litigant) Guidelines 2010 (No 1). The model litigant guidelines apply to all Territory legal work, including conduct that may lead to litigation in the future, even if advice has not been sought from the ACT Government Solicitor's Office (ACTGSO). Under section 15 of the LO Act, agencies must report on measures to ensure compliance with the model litigant guidelines. Agencies must also report on any breaches of the guidelines.

The Commission's Chief Executive has the following procedures in place to ensure compliance with the 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*.

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

Until 11 July 2011 the members of the Tribunal during 2011-12 were:

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

On 11 July 2011 the Minister appointed Mr John Kalokerinos as Deputy President of the Tribunal. The appointment is for a period of three years.

On 31 October 2011 the appointments of Mr Phillip Drever, Ms Thena Kyprianou, Mr Ted Quinlan and Magistrate Grant Lalor expired.

In November 2011 the Minister appointed Mr Phillip Drever, Ms Thena Kyprianou, and Mr Ted Quinlan as members and Magistrate Grant Lalor as President of the Tribunal, for a period expiring on 24 April 2012.

In April 2012 the Minister appointed Mr Phillip Drever, Ms Thena Kyprianou, Mr Ted Quinlan and Ms Dorothy Topfer as members and Mr Grant Lalor as President of the Tribunal. The members of the Tribunal at the end of 2011-12 were:

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

No assessors had been 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 Cordina and the Canberra Thoroughbred Racing Club Incorporated.***

On 16 March 2012, the trainer of the horse “Praecido” lodged an appeal against a three month ban incurred at the Canberra Racing Club meeting held on 11 March 2012 under Australian Rules of Racing AR53A for bleeding from both nostrils.

Notwithstanding the lodgement of the appeal, Stewards reopened their inquiry at Mr Cordina’s request to consider fresh veterinary evidence on 26 March 2012. However, the initial decision to ban “Praecido” under AR53A was reaffirmed. Mr Cordina subsequently sought leave of the Tribunal to withdraw his appeal and requested the return of the \$500 Bond lodged with the appeal.

Leave to withdraw the appeal was granted on 30 March 2012 and the return of the Bond was ordered in accordance with relevant legislative provisions on the basis that the appeal was incompetent under the Australian Rules of Racing.

MATTERS HEARD BY THE TRIBUNAL

No matters were heard by the Tribunal during 2011-12.

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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

