

ACT Gambling and Racing Commission

Statement of Intent

2013-14

Preface

The ACT Gambling and Racing Commission is a Territory Authority established under the *Gambling and Racing Control Act 1999*.

This attached 2013-14 Statement of Intent, which has been prepared in accordance with Section 61 of the *Financial Management Act 1996*, contains the following information:

PART 1 PURPOSE

PART 2 NATURE AND SCOPE OF ACTIVITIES TO BE CARRIED OUT

PART 3 PERFORMANCE MEASURES AND TARGETS

PART 4 EMPLOYMENT PROFILE

PART 5 FINANCIAL ARRANGEMENTS

PART 6 MONITORING AND REPORTING

ATTACHMENT 1 FINANCIAL STATEMENTS

ATTACHMENT 2 NON-FINANCIAL & FINANCIAL PERFORMANCE MEASURES

ATTACHMENT 3 KEY NON-FINANCIAL PERFORMANCE INDICATORS

ATTACHMENT 4 KEY FINANCIAL PERFORMANCE MEASURES

ATTACHMENT 5 ORGANISATIONAL CHART

ATTACHMENT 6 STRATEGIC HUMAN RESOURCE PLAN

The responsible Minister, Ms Joy Burch MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2013-14 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the ACT Gambling and Racing Commission's strategic and business planning processes.

The ACT Gambling and Racing Commission 2013-14 Statement of Intent has been agreed between:



and



John Haskins AM
Chairperson on behalf of
ACT Gambling and Racing Commission

Andrew Barr MLA
Treasurer

Date:

9/5/13

Date:

31. 5. 2013

PART 1 PURPOSE

Corporate Objectives

The major corporate objectives of the ACT Gambling and Racing Commission (the Commission) relevant to this Statement of Intent are:

- a) subject to the *Gambling and Racing Control Act 1999* (the Act), to operate as a customer service oriented entity along business-like lines;
- b) to use financial practices and maintain accounts and records which satisfy the requirements of the *Financial Management Act 1996*, including the associated ACT Accounting and Disclosure Policy Papers, modelled on the requirements of the Australian Accounting Standards which fairly present the Commission's financial position, operational and cash flow results for planning and reporting purposes;
- c) 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;
- d) to provide a productive and satisfying working environment for staff and a commitment to high standards of human resource management based on the principles of equal employment opportunity; and
- e) to adopt high standard operating practices to safeguard the environment, health and safety of staff.

Business Objectives

The core business objectives of the Commission are summarised under Section 6(2) of the Act. The main focus of the Commission is on the regulation and monitoring of all gambling activities in the ACT, namely:

- gaming machines;
- casino;
- racing and wagering;
- lotteries; and
- interactive gambling.

Regulation and monitoring incorporates the following undertakings:

- ensuring that all revenues (fees, taxes and levies) from gambling are correctly paid to the Government in a timely manner;
- ensuring appropriate advice on gambling policy and legislation is provided to the Government;
- ensuring the appropriate conduct of gambling through the licensing and inspection of venues and operators and the issuing of relevant permits for trade promotion lotteries and raffles; and

- ensuring the suitability of people working in the gambling industry through appropriate approvals and licensing of persons to perform particular functions.

In performing its functions, the Commission must promote the public interest by protecting consumers and reducing the risks and costs to the community and to individuals of problem gambling.

The Commission also has additional functions relating to the conduct of research on the social effects of gambling and of problem gambling, as well as community education relating to gambling activity.

The following specific objectives relate to the Commission's main areas of activity.

Gaming Machines

In addition to ensuring that gaming machine operations are free from criminal influence, the Commission's principal objective in regulating the operations of gaming machines in the ACT is to ensure that licensees comply with the requirements of the legislation. This ensures that gaming machines are operated fairly and in accordance with approved standards.

A strategy of regular detailed audits and a random audit program are used to assess the compliance of gaming machine licensees. The Commission undertakes a detailed assessment in accordance with the legislation of any application for a new gaming machine licence or an amendment to an existing licence.

The Commission has legislative responsibility for administering the Problem Gambling Assistance Fund. This includes verifying that the levy from gaming machine operators is correctly paid within the required timeframes and that expenditure is in accordance with the statutory requirements.

The Commission verifies that all gaming machine tax revenue is correctly paid within the required timeframes. A strategy of comprehensive desk and physical audits of gaming machine licensee returns and operations is undertaken monthly to check accuracy of financial reports.

Additionally, the Commission analyses and reports to the Minister annually on the extent to which gaming machine licensees are making community contributions required under the legislation.

Casino

The Commission's primary objective for the regulation of casino operations is to ensure that they are free from criminal influence. In order to achieve this, the Commission ensures that casino gaming activity is conducted fairly and that the casino operator complies with all legislative requirements. This includes adherence to the rules of the games and all control procedures.

The Commission conducts regular and random audits of casino activities to ensure that all statutory requirements are met and that Government revenue is correctly paid within the required timeframes. Proposed amendments to the approved rules of games or control procedures are thoroughly investigated prior to their implementation.

Racing and Wagering

The Commission licenses and regulates the activities of race and sports bookmakers pursuant to the provisions of the *Race and Sports Bookmaking Act 2001*.

Bookmaker licences are issued strictly in accordance with the suitability requirements of the relevant legislation, following close scrutiny and analysis of information provided by applicants and other law enforcement agencies together with the results of associated investigations. Similarly, proposed amendments to the rules governing the conduct and operations of sports bookmakers are rigorously assessed for consistency with relevant legislative requirements prior to approval by the Commission.

The Commission has statutory responsibilities associated with the resolution of betting disputes. The Commission also provides secretariat and administrative support for the Racing Appeals Tribunal, an independent authority established under the *Racing Act 1999* to hear and determine appeals from persons aggrieved by decisions of controlling bodies responsible for the conduct of racing.

Interactive Gambling

The Commission is responsible for administration and regulation of any interactive gambling operations licensed in the Territory and for the review of associated policy and legislation. This activity is undertaken in the context of Commonwealth legislation that provides significant restrictions on the conduct of interactive gambling in Australia.

The Commission is also responsible for monitoring technological developments that may be used in connection with the provision of interactive gambling services. Such developments may include:

- communication/carrier technologies;
- electronic commerce technologies;
- computer and network security technologies;
- personnel, physical and environmental security; and
- hardware and software solutions.

Other Gaming

The Commission regulates the conduct of other gaming activities such as pool betting schemes, ACTTAB, Keno and minor lotteries including raffles, trade promotion lotteries and Housie. As with major gaming activity, the Commission ensures that all legislative requirements are met and that the required fees and charges are paid when due.

A strategy of compliance audit programs is used to ensure that games are conducted fairly and in accordance with legislation. A program of random audits is used to assess compliance by operators with predetermined rules, guidelines and the payment of prizes.

Harm Minimisation, Research and Education

The Commission is required by the *Gambling and Racing Control Act 1999* to monitor and research the social effects of gambling and problem gambling in the ACT and to provide education services.

These functions inform the Commission's activities in protecting consumers and reducing the risks and costs to the community and individuals of problem gambling.

PART 2 NATURE AND SCOPE OF ACTIVITIES TO BE CARRIED OUT

General Activities

During 2013-14, the Commission will continue to give priority to maintaining its relationships with gambling regulators and law enforcement agencies both nationally and internationally to ensure that it remains at the forefront of gambling regulation and that any harm that may arise from the conduct of gambling activities is minimised. A key business activity in achieving this will be the Commission's ongoing participation in national forums examining issues associated with gambling regulation and responsible gambling. These forums include the Australasian Casino and Gaming Regulators' Chief Executive Officers Group, the Regulators' Responsible Gambling Working Party, Australian Lottery Regulators Working Party, Gaming Machine National Standards Working Party and Gambling Research Australia.

Involvement in these forums ensures that the Commission is kept abreast of initiatives being developed both nationally and internationally to enhance gaming regulation and promote responsible gambling. These forums also enable the Commission to benchmark its own regulatory practices and operations in striving for best practice.

The Commission will continue to fund the Problem Gambling Support Service, currently undertaken by Mission Australia, and will monitor contract performance by the service provider. Additional funding of projects under the Problem Gambling Assistance Fund will also be continued by the Commission.

The Commission will continue its ongoing research agreement with the Australian National University Centre for Gambling Research with the initiation of new research to be conducted by the Centre in 2013-14. In addition, the Commission will continue to financially contribute to research projects of national relevance undertaken by Gambling Research Australia (an initiative of the former Ministerial Council on Gambling).

During 2013-14, the Commission will continue its involvement in inter-jurisdictional forums concerned with cross border racing and wagering issues. The Commission will provide ongoing advice to Government and other agencies on developments in this area including any appropriate measures that may need to be taken to ensure that the integrity of the local industry is maintained.

The Commission's program of legislative review of ACT gaming laws will continue in 2013-14.

The following specific tasks relating to the Commission's core activities will also be undertaken:

Gaming Machines

An active audit and inspection program will continue to be conducted to ensure licensee compliance with all legislative requirements, including:

- club eligibility and control;
- licensing of machine technicians and attendants;
- approval of gaming machine suppliers;
- acquisition and disposal of machines; and
- the level of community contributions made by licensees.

Additionally, the Commission will continue to undertake detailed audits to ensure that gaming machine licensees pay the appropriate level of tax and Problem Gambling Assistance Fund levy in a timely manner.

Casino

In regulating the operations of the casino, the Commission will continue to monitor gaming activity to ensure that staff and patrons adhere to the rules of games.

In addition, through a detailed audit compliance program, the following activities will be conducted or undertaken in accordance with approved procedures:

- verification of tax payments;
- issue of casino employee licences to relevant staff;
- approval of purchase and use of gaming equipment; and
- monitoring of the handling and recording of cash and chip transactions.

Authorised officers will continue to update and revise the audit compliance plan to ensure that key risk areas are adequately monitored and that any adverse or illegal activity is detected and addressed at an early stage.

Racing and Wagering

The Commission will continue to monitor activity during 2013-14 with associated licensing and probity functions in accordance with the provisions of the *Race and Sports Bookmaking Act 2001*. The Commission will also resolve betting disputes and issue written directions as appropriate on dispute outcomes.

The Commission, in conjunction with relevant stakeholders, will continue to monitor the application of all racing and wagering statutes to ensure that arrangements establishing and regulating the three codes of racing in the ACT are appropriate to rapidly evolving cross-border betting arrangements.

Other Gaming

As well as monitoring the ACT's revenue sharing arrangements relating to the sale of interstate lottery products in the ACT, the Commission will undertake a wide range of minor lottery related approval and compliance activities relating to raffles, Housie and trade promotion lotteries.

The Commission will ensure that each approved lottery complies with relevant conditions to ensure that the lottery is conducted properly and that subscribers' interests and those of the Government are adequately protected. An audit program of lottery activities will continue to monitor compliance in this area.

Information or complaints relating to alleged illegal gaming will be investigated as appropriate.

Harm Minimisation, Research and Education

The Commission will ensure that research projects undertaken continue to provide relevant and reliable information to assist policy decision making.

The Commission will consider and approve suitable projects under the Problem Gambling Assistance Fund in order to alleviate, or inform about, problem gambling. Advice will continue to be received from the Problem Gambling Assistance Fund Advisory Committee to ensure industry and other stakeholders participate in the process.

The Commission's ongoing community consultation with regard to research and education and legislative reviews will continue through its Gambling Advisory Reference Group as well as specific periods of stakeholder consultation as required.

The Commission will further develop and promote its designated problem gambling website aimed at providing help and assistance to problem gamblers, their family and friends.

Risks

In relation to the delivery of the Commission's objectives, the following risks and associated mitigation strategies have been identified. In broad terms, the Commission has a comprehensive Risk Management Plan which is regularly reviewed and updated and is followed by all staff in undertaking their duties and activities.

Corporate Objectives

The main risks in relation to meeting the Commission's corporate objectives are that the Commission does not operate in an efficient business-like manner and that the various accounting standards and policies are not followed. A further risk exists in relation to staff management including the provision of a safe working environment.

These risks are minimised by having extensive staff training and awareness programs, monitoring and supervising activity and carefully checking that all accounting and financial systems are being followed.

External and internal audits are conducted on the Commission's operations with the Auditor-General undertaking a detailed financial and performance review annually.

Business Objectives

The main risks in relation to meeting the Commission's business objectives are that gaming activity occurs in breach of the ACT gaming laws without being detected and that all taxes, levies and fees are not fully collected or paid in a timely manner.

These risks are mitigated by extensive staff training and conducting comprehensive regular and random audits on all licensees to ensure compliance with the legislation. Taxes and levies for gaming machines and taxes for the casino are collected and verified each month with action being taken for any non-compliance.

The Commission's audit program is regularly reviewed and revised to ensure that it reflects the current level of risk in relation to non-compliance of legislative requirements.

In addition, the Commission undertakes an education program for licensees to ensure that they are fully aware of their compliance responsibilities and obligations.

PART 3 PERFORMANCE MEASURES AND TARGETS

Significant variations to the budgeted financial statements are included at Attachment 1.

There are no significant variations to the performance measures at Attachment 2.

Part 3A 2013-14 to 2016-17 Key Performance Indicators

The Commission's key non-financial performance indicators are identified at Attachment 3.

The Commission's key financial performance measures are identified at Attachment 4.

Part 3B Review of Performance against 2012-13 Objectives

The Commission's review of performance against 2012-13 objectives is identified at Attachment 2.

PART 4 EMPLOYMENT PROFILE

The Commission undertakes to satisfy the requirements of the *Public Sector Management Act 1994*, the relevant Enterprise Bargaining Agreement and all other relevant industrial relations legislation, Awards and conditions.

The organisational structure of the Commission is outlined at Attachment 5.

The Commission's planned position for the 2012-13 year end is 29.6 full-time equivalent employees (FTE) with the estimated staffing level for 2013-14 being 32.8 FTE. This increase is due to the recruitment into positions that have recently become vacant. The employment profile of the Commission is outlined at Attachment 6.

The Commission undertakes to provide periodic reports against the attached employment profile in a form reasonably requested from time to time which may include age, gender, duration of employment, and membership of equal employment opportunity (EEO) classifications.

During 2013-14, the Commission will continue to institute and monitor best practice occupational health and safety policies and programs to decrease workers' compensation costs by reducing the average cost, number and average duration of any claims.

PART 5 FINANCIAL ARRANGEMENTS

The budgeted operating revenues of the Commission's financial plan are received as an appropriation based on the Commission's budgeted expenditure for the period. This expenditure includes employee and supplies and services expenses.

The Commission does not expect any additional major transactions to occur other than what it has indicated in the budgeted financial statements.

Budgeted Financial Statements

Budgeted financial statements for the 2013-14 Budget year, as well as forward estimates for the three financial years commencing 2014-15 are at Attachment 1 to the Statement of Intent. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

- a) Operating Statement;
- b) Balance Sheet;
- c) Statement of Changes in Equity;
- d) Cash Flow Statement; and
- e) Notes to the Financial Statements as appropriate, including variations in the 2013-14 Budget from both the projected 2012-13 outcome and published 2013-14 Statement of Financial Performance forward estimate, in excess of \$0.250 million.

PART 6 MONITORING AND REPORTING

The Commission shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The Commission's Annual Report will, in effect, and among other things, report against the requirements of the Statement of Intent.

The *Financial Management Act 1996* authorises the Treasurer to obtain financial and other statements from the Commission for a stated period including annual, quarterly and monthly reporting.

Quarterly Reporting

To enable consolidated whole of Government reporting requirements to be met on a quarterly basis, the ACT Gambling and Racing Commission will ensure the availability to the Treasurer, through the Chief Minister and Treasury Directorate (by the eighth working day of each quarter), the following information, in the prescribed form and required detail, in respect of the previous quarter:

- a) Operating Statement;
- b) Balance Sheet;
- c) Statement of Changes in Equity;
- d) Cash Flow Statement;
- e) Operating Statement material variance explanations against seasonal budget provided by the Authority (by the eighth working day of each quarter);
- f) Status Report to supplement performance reporting to the Assembly and provide stakeholders with a summary on progress against budget highlights, significant initiatives and major projects (by the tenth working day of each quarter); and
- g) Management Discussion and Analysis of Commission results to date, forecast results and related issues that may impact on the financial condition of the Commission (by the tenth working day of each quarter).

Monthly Reporting

In addition to the quarterly information identified above, the Commission will ensure the availability to the Treasurer through the Chief Minister and Treasury Directorate (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual Reporting

ACT Gambling and Racing Commission will provide the following information to the Chief Minister and Treasury Directorate and the Auditor-General's Office within the prescribed time:

- certified financial statements;
- management discussion and analysis;
- a full and accurate set of audited financial records for the preceding financial year in the form requested; and
- consolidation packs relating to the annual financial statements, draft and final.

ATTACHMENT 1 – FINANCIAL STATEMENTS

ACT Gambling and Racing Commission Operating Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
Income							
Revenue							
4,408	Government Payment for Outputs	4,408	4,451	1	4,511	4,577	4,645
54,744	Taxes, Fees and Fines	56,683	56,555	..	57,956	59,393	60,892
127	Interest	127	79	-38	86	94	101
1,162	Other Revenue	1,162	1,111	-4	1,139	1,168	1,197
25	Resources Received Free of Charge	25	25	-	25	25	25
60,466	Total Revenue	62,405	62,221	..	63,717	65,257	66,860
Gains							
150	Other Gains	30	31	3	32	32	33
150	Total Gains	30	31	3	32	32	33
60,616	Total Income	62,435	62,252	-	63,749	65,289	66,893
Expenses							
2,887	Employee Expenses	2,878	2,850	-1	2,888	2,926	2,964
396	Superannuation Expenses	414	385	-7	378	377	377
2,212	Supplies and Services	2,212	2,251	2	2,308	2,366	2,425
84	Depreciation and Amortisation	86	108	26	108	108	49
2	Borrowing Costs	2	2	-	2	2	2
54,744	Transfer Expenses	56,683	56,555	..	57,956	59,393	60,892
60,325	Total Ordinary Expenses	62,275	62,151	..	63,640	65,172	66,709
291	Operating Result	160	101	-37	109	117	184
291	Total Comprehensive Income	160	101	-37	109	117	184

ACT Gambling and Racing Commission

Balance Sheet

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Current Assets							
3,728	Cash and Cash Equivalents	2,524	2,775	10	3,034	3,301	3,576
4,334	Receivables	4,662	4,667	..	4,672	4,677	4,682
12	Other Current Assets	1	1	-	1	1	1
8,074	Total Current Assets	7,187	7,443	4	7,707	7,979	8,259
Non Current Assets							
37	Property, Plant and Equipment	34	44	29	44	54	54
226	Intangibles	348	252	-28	156	60	23
263	Total Non Current Assets	382	296	-23	200	114	77
8,337	TOTAL ASSETS	7,569	7,739	2	7,907	8,093	8,336
Current Liabilities							
4,270	Payables	4,709	4,712	..	4,715	4,718	4,721
25	Finance Leases	20	5	-75	20	5	20
931	Employee Benefits	895	907	1	919	931	943
119	Other Liabilities	125	125	-	125	125	125
5,345	Total Current Liabilities	5,749	5,749	-	5,779	5,779	5,809
Non Current Liabilities							
0	Finance Leases	7	27	286	7	27	7
151	Employee Benefits	115	164	43	213	262	311
151	Total Non Current Liabilities	122	191	57	220	289	318
5,496	TOTAL LIABILITIES	5,871	5,940	1	5,999	6,068	6,127
2,841	NET ASSETS	1,698	1,799	6	1,908	2,025	2,209
REPRESENTED BY FUNDS EMPLOYED							
2,839	Accumulated Funds	1,696	1,797	6	1,906	2,023	2,207
2	Reserves	2	2	-	2	2	2
2,841	TOTAL FUNDS EMPLOYED	1,698	1,799	6	1,908	2,025	2,209

ACT Gambling and Racing Commission

Statement of Changes in Equity

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Opening Equity							
2,548	Opening Accumulated Funds	3,536	1,696	-52	1,797	1,906	2,023
2	Opening Asset Revaluation Reserve	2	2	-	2	2	2
2,550	Balance at the Start of the Reporting Period	3,538	1,698	-52	1,799	1,908	2,025
Comprehensive Income							
291	Operating Result for the Period	160	101	-37	109	117	184
291	Total Comprehensive Income	160	101	-37	109	117	184
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
0	Capital Distributions to Government	-2,000	0	100	0	0	0
0	Total Transactions Involving Owners Affecting Accumulated Funds	-2,000	0	100	0	0	0
Closing Equity							
2,839	Closing Accumulated Funds	1,696	1,797	6	1,906	2,023	2,207
2	Closing Asset Revaluation Reserve	2	2	-	2	2	2
2,841	Balance at the End of the Reporting Period	1,698	1,799	6	1,908	2,025	2,209

ACT Gambling and Racing Commission

Cash Flow Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
	Receipts						
4,408	Cash from Government for Outputs	4,408	4,451	1	4,511	4,577	4,645
54,744	Taxes, Fees and Fines	56,683	56,555	..	57,956	59,393	60,892
127	Interest Received	127	79	-38	86	94	101
1,431	Other Receipts	1,311	1,261	-4	1,290	1,319	1,349
60,710	Operating Receipts	62,529	62,346	..	63,843	65,383	66,987
	Payments						
2,823	Related to Employees	2,823	2,789	-1	2,827	2,865	2,903
396	Related to Superannuation	414	385	-7	378	377	377
2,189	Related to Supplies and Services	2,189	2,228	2	2,285	2,343	2,402
2	Borrowing Costs	2	2	-	2	2	2
119	Other	119	119	-	119	119	119
54,744	Territory Receipts to Government	56,683	56,555	..	57,956	59,393	60,892
60,273	Operating Payments	62,230	62,078	..	63,567	65,099	66,695
437	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	299	268	-10	276	284	292
CASH FLOWS FROM INVESTING ACTIVITIES							
	Payments						
10	Purchase of Property, Plant and Equipment and Capital Works	10	10	-	10	10	10
0	Purchase of Land and Intangibles	121	0	-100	0	0	0
10	Investing Payments	131	10	-92	10	10	10
-10	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-131	-10	92	-10	-10	-10
CASH FLOWS FROM FINANCING ACTIVITIES							
	Payments						
0	Distributions to Government	2,000	0	-100	0	0	0
7	Repayment of Finance Leases	7	7	-	7	7	7
7	Financing Payments	2,007	7	-100	7	7	7
-7	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-2,007	-7	100	-7	-7	-7
420	NET INCREASE / (DECREASE) IN CASH HELD	-1,839	251	114	259	267	275
3,308	CASH AT THE BEGINNING OF REPORTING PERIOD	4,363	2,524	-42	2,775	3,034	3,301
3,728	CASH AT THE END OF REPORTING PERIOD	2,524	2,775	10	3,034	3,301	3,576

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- taxes, fees and fines: the increase of \$1.939 million in the 2012-13 estimated outcome from the original budget is due to an increase in interstate lotteries (\$2.239 million) and ACTTAB revenue (\$0.180 million), offset by a decrease in activity for casino revenue (\$0.280 million) and regulatory fees (\$0.2 million).
- transfer expenses: the increase of \$1.939 million in the 2012-13 estimated outcome from the original budget is due to the reasons noted above under taxes, fees and fines.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$1.204 million in the 2012-13 estimated outcome from the original budget is mainly due to the return of surplus funds (\$2 million) to the Territory and the flow-on effect of the 2011-12 audited results; and
 - the increase of \$0.251 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects anticipated positive cash flows from operating activities.
- receivables: the increase of \$0.328 million in the 2012-13 estimated outcome from the original budget is mainly due to expected higher activity which results in increased gaming taxation.
- payables: the increase of \$0.439 million in the 2012-13 estimated outcome from the original budget mainly reflects an increase in gaming taxation that is passed on to the Territory.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Cash Flow Statement

Variations in the statement are explained in the notes above.

ATTACHMENT 2 – NON-FINANCIAL AND FINANCIAL PERFORMANCE MEASURES

Objective	Activity	Measured by	Expected Outcome 2012-2013	Target 2013-2014
1. Effectively regulate gambling and racing activity for statutory compliance	Compliance audit of operator activity to detect compliance with legal framework	Number of compliance audits as follows: Casino 100 Gaming Machines 250 Bookmakers 50 Minor Lotteries 60	Number of compliance audits as follows: Casino 100 Gaming Machines 250 Bookmakers 50 Minor Lotteries 60	Number of compliance audits as follows: Casino 100 Gaming Machines 250 Bookmakers 50 Minor Lotteries 60
2. Ensure compliance with statutory payments of taxes and fees	Revenue audit of operator activity to ensure correct payment of taxes and fees received	Number of revenue audits as follows: Casino 12 Gaming Machines 12 Bookmakers 12	Number of revenue audits as follows: Casino 12 Gaming Machines 12 Bookmakers 12	Number of revenue audits as follows: Casino 12 Gaming Machines 12 Bookmakers 12
3. Keep informed about problem gambling issues and harm minimisation strategies	Initiate or complete research projects; analyse significant research projects conducted elsewhere	Number of research projects initiated, completed or analysed	Initiate, complete or analyse at least 5 research projects	Initiate, complete or analyse at least 5 research projects
4. Undertake measures designed to reduce the negative impact of problem gambling	Initiate or complete projects through the Problem Gambling Assistance Fund	Number of projects initiated or completed	Initiate or complete at least 3 projects	Initiate or complete at least 3 projects
5. Review gaming legislation and policies and implement changes	Critical examination of gaming laws and gaming policy issues	Provision of reports or briefs to Commission or Minister, implementation of reviews or policy issues considered	Completion of at least 1 report, brief or review	Completion of 1 report, brief or review
6. Keep informed about developments in gaming and regulatory practices	Attend relevant meetings and conferences	Number of meetings and conferences attended	Attend at least two meetings or conferences	Attend at least two meetings or conferences
7. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2012-13 Budget	Achieve or improve the 2012-13 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Achieve or improve the 2013-14 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus

ATTACHMENT 3 – KEY NON-FINANCIAL PERFORMANCE INDICATORS

Objective	Activity	Target 2013-14		Target 2014-15		Target 2015-16		Target 2016-17	
1. Effectively regulate gambling and racing activity for statutory compliance	Compliance audit of operator activity to detect compliance with legal framework	Casino	100	Casino	100	Casino	100	Casino	100
		Gaming Machines	250	Gaming Machines	250	Gaming Machines	250	Gaming Machines	250
		Bookmakers	50	Bookmakers	50	Bookmakers	50	Bookmakers	50
		Minor Lotteries	60	Minor Lotteries	60	Minor Lotteries	60	Minor Lotteries	60
2. Ensure compliance with statutory payments of taxes and fees	Revenue audit of operator activity to ensure correct payment of taxes and fees received	Casino	12	Casino	12	Casino	12	Casino	12
		Gaming Machines	12	Gaming Machines	12	Gaming Machines	12	Gaming Machines	12
		Bookmakers	12	Bookmakers	12	Bookmakers	12	Bookmakers	12
3. Keep informed about problem gambling issues and harm minimisation strategies	Initiate or complete research projects; analyse significant research projects conducted elsewhere	Initiate, complete or analyse at least 5 research projects		Initiate, complete or analyse at least 5 research projects		Initiate, complete or analyse at least 5 research projects		Initiate, complete or analyse at least 5 research projects	
4. Undertake measures designed to reduce the negative impact of problem gambling	Initiate or complete projects through the Problem Gambling Assistance Fund	Initiate or complete at least 3 projects		Initiate or complete at least 3 projects.		Initiate or complete at least 3 projects		Initiate or complete at least 3 projects	
5. Review gaming legislation and policies and implement changes	Critical examination of gaming laws and gaming policy issues	Completion of 1 report, brief or review		Completion of 1 report, brief or review		Completion of 1 report, brief or review		Completion of 1 report, brief or review	
6. Keep informed about developments in gaming and regulatory practices	Attend relevant meetings and conferences	Attend at least two meetings or conferences		Attend at least two meetings or conferences		Attend at least two meetings or conferences		Attend at least two meetings or conferences	
7. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Achieve or improve the 2013-14 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus		Achieve or improve the 2014-15 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus		Achieve or improve the 2015-16 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus		Achieve or improve the 2016-17 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	

ATTACHMENT 4 – KEY FINANCIAL PERFORMANCE MEASURES

	2011-12 Actual	2012-13 Projected Outcome	2013-14 Budget	2014-15 Budget	2015-16 Budget	2016-17 Budget
Profitability						
Return on Assets ¹	13.02%	2.09%	1.28%	1.35%	1.42%	2.18%
Return on Equity ¹	34.44%	9.31%	5.50%	5.61%	5.68%	8.24%
Financial Management						
Current Ratio ²	1.58:1	1.25:1	1.29:1	1.33:1	1.38:1	1.42:1
Cash Position ²	0.47:1	0.33:1	0.36:1	0.38:1	0.41:1	0.43:1
Financial Stability						
Debt Ratio	0.62:1	0.78:1	0.77:1	0.76:1	0.75:1	0.74:1
Debt Management						
Interest Cover Ratio ¹	575:1	79:1	50:1	54:1	58:1	91:1

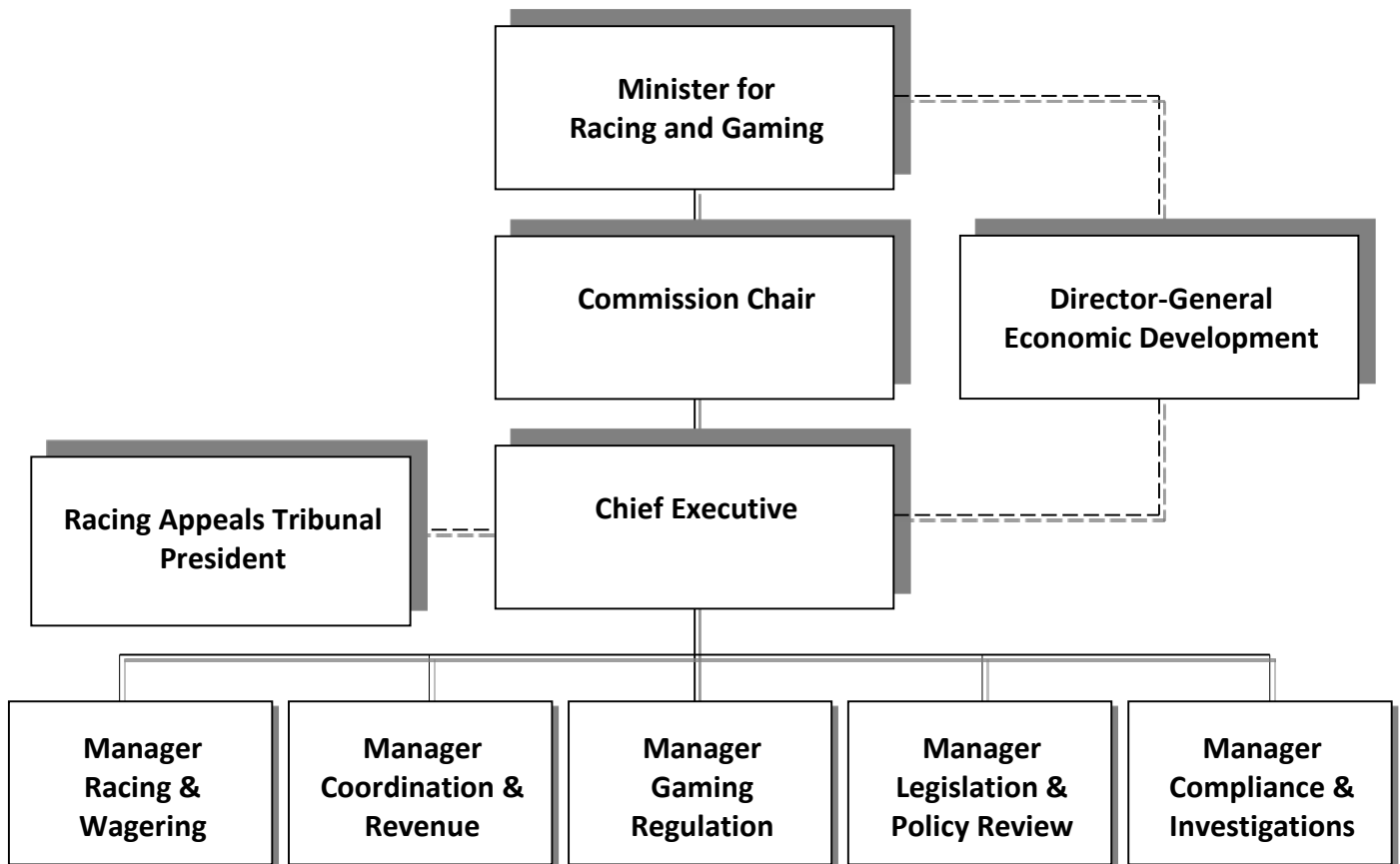
- Return on Assets = EBIT³ / average total assets for period
- Return on Equity = EBIT³ / equity
- Current Ratio = current assets / current liabilities
- Cash Position = (cash + current investments) / total assets
- Debt Ratio = total liabilities / year end total assets
- Interest Cover Ratio = EBIT³ / annual interest Payments

Notes:

1. The decrease in the 2012-13 Projected Outcome from the 2011-12 Actual is mainly due to a higher than expected operating result in 2011-12.
2. The decrease in the 2012-13 Projected Outcome from the 2011-12 Actual is mainly due to the return of surplus funds (\$2 million) to the Territory.
3. Earnings Before Interest and Taxes

ATTACHMENT 5 – ORGANISATIONAL CHART

ACT GAMBLING AND RACING COMMISSION



ATTACHMENT 6 STRATEGIC HUMAN RESOURCE PLAN

The ACT Gambling and Racing Commission's estimated staffing profile at the end of the 2012-13 financial year is 29.6 FTE. The break-up of positions is as follows:

Level	Function	Male	Female
SES	Chief Executive	1	0
SOG A	Section Manager	1	0
SOG B	Section Manager	5	0.8
SOG C	Assistant Section Manager	2	2
ASO 6	Authorised Officer	3.6	2
ASO 5	Authorised Officer	1	3.2
ASO 4	Authorised Officer	2	5
ASO 3	Authorised Officer	0	1
Total		15.6	14

The ACT Gambling and Racing Commission estimated staffing profile planned for the 2013-14 financial year is 32.8 FTE. The break-up of positions is as follows:

Level	Function	Male	Female
SES	Chief Executive	1	0
SOG A	Section Manager	1	0
SOG B	Section Manager	4	0.8
SOG C	Assistant Section Manager	2	2
ASO 6	Authorised Officer	3	3
ASO 5	Authorised Officer	4	3
ASO 4	Authorised Officer	2	7
Total		17	15.8