



**ACT**  
Government



GAMBLING  
AND  
RACING  
COMMISSION

# ANNUAL REPORT 2010–2011

GAMBLING AND RACING COMMISSION



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# ACT GAMBLING AND RACING COMMISSION

ANNUAL REPORT 2010-2011


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Minister for Economic Development  
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 2011.

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 2010 to 30 June 2011 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 2, Part 2.4.

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  
26 August 2011

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

Greg Jones  
Chief Executive Officer  
26 August 2011

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The relevant contact officer is identified following each section of the report.

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## SECTION A: PERFORMANCE & FINANCIAL MANAGEMENT REPORTING

### A.1 THE ORGANISATION

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

#### A.1.1 MEMBERSHIP OF THE COMMISSION

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

The membership at 30 June 2011 was:

*Chairperson:* Mr Malcolm Gray

*Members:* Mr Mark Rolfe (Deputy Chairperson)

Dr Mark Doverty

Ms Joan Perry

*Chief Executive:* Mr Greg Jones

#### A.1.2 FUNCTIONS & 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 2010-2011.

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:

- promotes consumer protection;
- minimises the possibility of the criminal or unethical activity; and
- 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 & 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 2010-11 as outlined in its Statement of Performance (see section A.7 of this report). It also achieved its financial targets for 2010-11 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 \$1,192,443 which was \$706,443 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.

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

In March 2010 the Minister for Gaming and Racing, Andrew Barr MLA, requested that the Commission undertake a review of the club governance provisions in the *Gaming Machine Act 2004*.

Following a two stage public consultation process the Commission prepared a Policy Paper which outlined its conclusions and recommendations including suggestions for legislative reform. This Review Report was provided to the Minister for consideration. The recommendations were adopted by Government and formed the basis for the drafting of the *Gaming Machine (Club Governance) Amendment Bill 2011* (the Bill).

The Bill was passed by the Legislative Assembly on 28 June 2011 with a 1 July 2011 commencement for most provisions and a 12 month delayed commencement for those provisions that required time for licensees to adjust or implement.

In relation to racing and wagering, all States and the ACT have implemented schemes whereby fees are charged for using or publishing their race fields information. 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. National uncertainty continues in this sector as on-going litigation in other jurisdictions tests the validity of schemes (or components of schemes).

An agreement between the Prime Minister, the Hon Julia Gillard MP, and the member for Dennison, Mr Andrew Wilkie MP, specified a number of reforms for the operation of gaming machines. These reforms include the introduction of a mandatory pre-commitment scheme for gaming machines by 2014, restrictions on withdrawals of cash from ATMs in gaming venues of \$250 per card per day and dynamic warning messaging on gaming machines.

In order to implement the agreement requirements, the Australian Government established the Council of Australian Governments (COAG) Select Council on Gambling Reform to progress a national approach to these issues. Ministers from each state and Territory are represented on the Select Council.

At its meeting of 27 May 2011 the Select Council agreed that pre-commitment technology could be a useful tool for some gamblers and supported its introduction. However, a mandatory scheme was not agreed and therefore the Federal Government is required under the Gillard-Wilkie Agreement to pass legislation by budget 2012 to require the introduction of a mandatory scheme.

Staff of the Gambling and Racing Commission, in combination with ACT Treasury and the Community Services Directorate, provided high level advice to the Minister and Government on the implications of the proposed reforms.

The Commission continued to assist the Government and other agencies with further information and technical 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.

Following an amendment to the *Gaming Machine Act 2004* that commenced on 1 July 2011, gaming machine licensees will be required to pay a levy to the Problem Gambling Assistance Fund. The levy, set at 0.6 per cent of gross gaming machine revenue, must be used to assist in alleviating problem gambling or the disadvantages that arise from problem gambling as well as to inform about problem gambling. ACTTAB Ltd and Casino Canberra Ltd have agreed to make voluntary contributions to the Fund.

Following the conduct of a public tender process the Commission entered into a contract with Mission Australia to provide problem gambling support services to the ACT. The support service, which commenced on 1 July 2011, involves both a proactive and reactive component to assist problem gamblers including the provision of counselling services and linkages to other support services. The Commission has been working with Mission Australia in establishing a new office in the ACT in readiness for their new role.

The Australian National University's (ANU) Centre for Gambling Research under an agreement with the Commission released its prevalence study of ACT gambling and problem gambling in November 2010. Further studies based on the outcomes of the prevalence study commenced during the period. One such study, which investigated the distribution of problem gambling in the ACT including its demographic and socioeconomic profile, was completed during the period.

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

The Commission continued its focus on education and public awareness initiatives during 2010-11. An intensive television campaign highlighting a responsible approach to gambling was conducted during Responsible Gambling Awareness Week (May 2011).

The Commission's new gaming machine database continued development during the year with final testing being undertaken prior to its commissioning early in the new financial year.

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

Ongoing staff training, particularly for new officers, has maintained a high skill level and 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 implications of the Gillard-Wilkie Agreement and the outcomes of the Select Council on Gambling Reform will be a significant focus during 2011-2012. It is expected that the Federal Government will legislate to ensure that mandatory pre-commitment will be implemented by budget 2012. Communication with other jurisdictions and Federal officials will continue as will advice to Government on the outcomes and implications for the ACT.

The Commission will implement the legislative changes in relation to the revised governance arrangements in the *Gaming Machine Act 2004* that commenced on 1 July 2011. An information seminar for licensees will be held to ensure that all aspects of the changes are understood and successfully implemented.

The Commission will continue to assist the Government and other agencies as necessary with further information on the development and possible implementation of a reallocation scheme for gaming machines including the review of the maximum number of gaming machines in the Territory.

In relation to racing and wagering, the Commission will continue to monitor the race fields litigation that is on-going in other jurisdictions and provide advice on any impacts on the operation of the ACT scheme.

The Commission will also assist with the implementation of any 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 development of further targeted research projects with the Australian National University's (ANU) Centre for Gambling Research will continue. The project on problem gambler help-seeking behaviour that was commenced in 2010-11 will be finalised and new projects will be commissioned. 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.

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 2011-12 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.

The Commission's new gaming machine database will be fully commissioned early in 2011-12 following extensive testing. It is expected that the new system will lead to improved efficiency of operations particularly in relation to gaming machine tax assessments and reporting.

## 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;
- 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

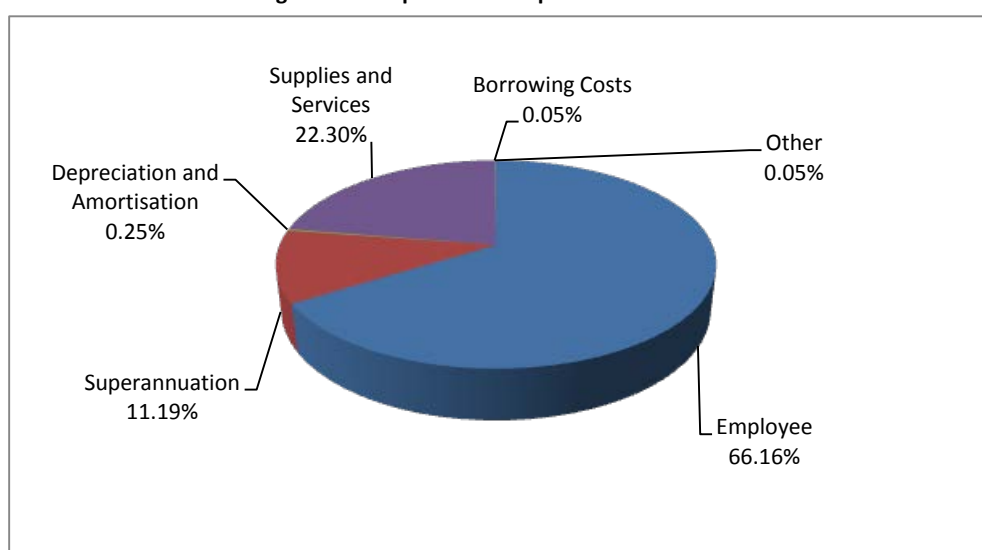
The following financial information is based on audited Financial Statements for 2009-10 and 2010-11 and the forward estimates contained in the 2010-2011 Budget Paper Number 4.

### TOTAL EXPENDITURE

#### 1. Components of Expenditure

Figure 1 indicates the components of the Commission's expenditure for 2010-11 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 **66 per cent** of ordinary activities or **\$2.388 million**.

Figure 1 - Components of Expenditure in 2010-11



#### 2. Comparison to Budget

##### Expenditure

Total expenditure not including taxation revenue transferred to Government of **\$3.609 million** was **\$0.679 million**, or **15.8 per cent**, lower than the 2010-11 budget of **\$4.288 million**. The decrease is mainly due to lower:

- employee expenses (**\$0.321 million**) due to the time-lag in employing staff after resignations, lower than expected annual leave taken by employees and several staff utilising part-time employment;
- supplies and services expenditure (**\$0.299 million**) mainly due to lower than expected payments for Commission funded research, general administration, training, education and repairs and maintenance;
- superannuation expense (**\$0.022 million**) due to the time-lag in employing staff after resignations and staff utilising part-time employment; and
- depreciation and amortisation (**\$0.038 million**) due to a delay in the completion of the Commission's new gaming machine database.

### 3. Comparison to 2009-10 Actual Expenditure

Total expenditure not including taxation revenue transferred to Government was **\$0.128 million**, or **3.7 per cent**, higher than the 2009-10 actual result. The increase largely reflects increased expenditure in employee expenses (**\$0.059 million**) and supplies and services (**\$0.065 million**).

### 4. Future Trends

Expenditure is budgeted to increase in 2011-12 by \$0.729 million due to a return to budgeted staffing levels and increased supplies and services expenditure mainly in the areas of research activity and increased depreciation and amortisation costs due to the implementation of the Commission's new gaming machine database.

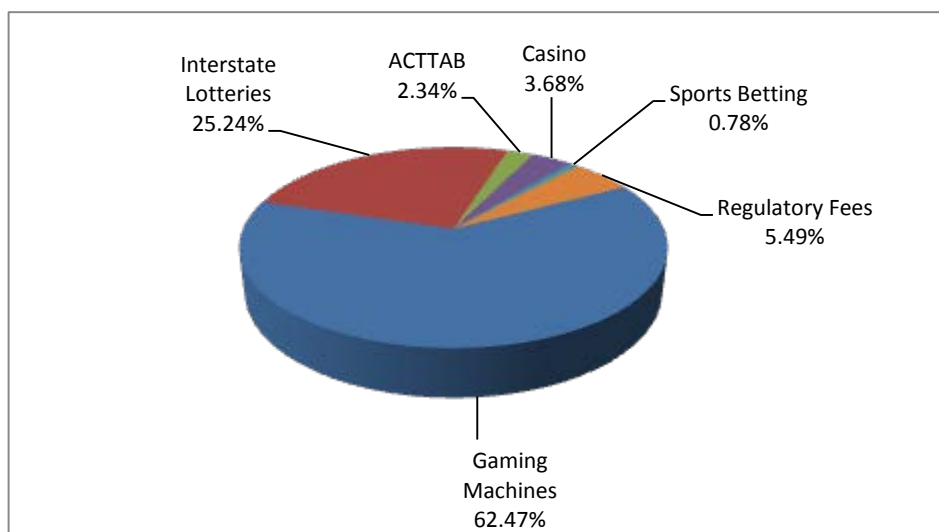
## TOTAL INCOME

### 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 only 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 2010-11 appropriation payments from Government totalled **\$4.333 million**.

Figure 2 below indicates that for the financial year ended 30 June 2011 the Commission received **62 per cent** of its total gambling revenue of **\$56.587 million** from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2010-11



### 2. Comparison to Budget

#### Revenue

For the year ending 30 June 2011 gambling revenue was **\$56.587 million** which was **\$1.580 million** higher than the 2010-11 budget of **\$55.007 million**. Decreased revenue from interstate lotteries (**\$0.208 million**), lower ACTTAB licence fee (**\$0.021 million**) and regulatory fees (**\$0.029 million**) was more than off-set by increases in:

- gaming machine revenue (**\$1.681 million**);
- sports bookmaking (**\$0.132 million**); and
- casino revenue (**\$0.025 million**).

## Gains

Income from gains for the year ending 30 June 2011 was **\$0.135 million** or **5.6 per cent** lower than the 2010-11 budget of **\$0.143 million**.

### 3. Comparison to 2009-10 Actual Income

#### Revenue

Gambling revenue in 2010-11 was **\$0.569 million**, or **1 per cent**, higher than the 2009-10 actual result. This was due to an increase in revenue from gaming machines (**\$1.678 million**), ACTTAB licence fee (**\$0.064 million**) and sports betting (**\$0.081 million**). This was offset by a decrease from interstate lotteries (**\$1.170 million**), lower casino revenue (**\$0.075 million**) and regulatory fees (**\$0.009 million**).

#### Gains

Income from gains was **\$0.028 million** or **17.2%** lower than the 2009-10 actual result of **\$0.163 million**. This decrease was mainly due to a reduction in unclaimed lottery prizes received by the Commission for the reporting period.

### 4. Future Trends

Total gambling revenue for 2011-12 is budgeted to decrease by **\$0.185 million** mainly due to a projected reduction in gaming machine activity. Revenue thereafter is anticipated to increase at a rate equivalent to the consumer price index.

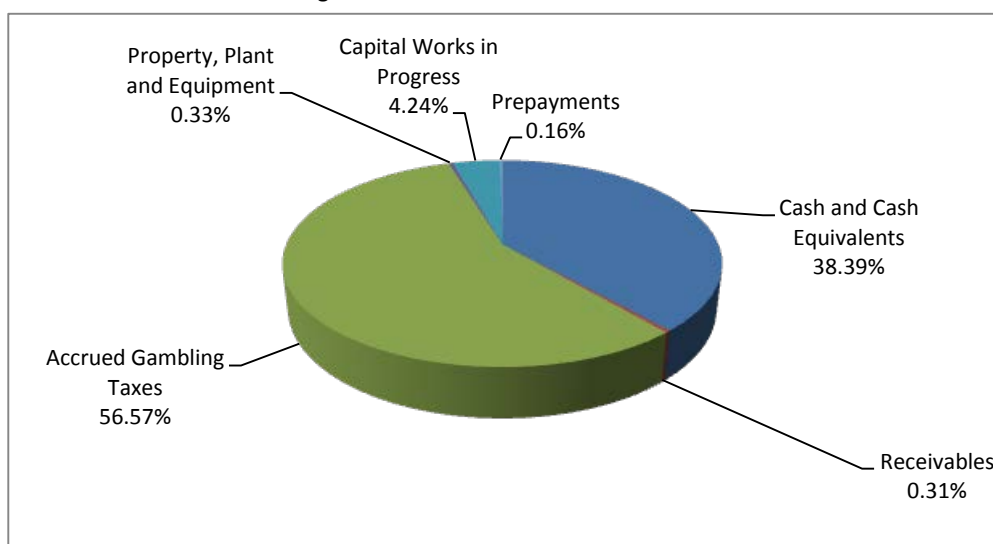
## COMMISSION'S FINANCIAL POSITION

### TOTAL ASSETS

#### 1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2011 the Commission held **57 per cent** of its assets in accrued gambling taxes and **38 per cent** in cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2011





## 2. Comparison to Budget

The total asset position as at 30 June 2011 is **\$7.602 million**, **\$3.215 million** lower than the 2010-11 budget of **\$10.817 million**. The decrease largely reflects a decrease in cash and cash equivalents (**\$2.672 million**) mainly due to a capital distribution to Government of **\$3.900 million** offset by the flow on effect from a higher than expected operating result.

## 3. Comparison to 2009-10 Actuals

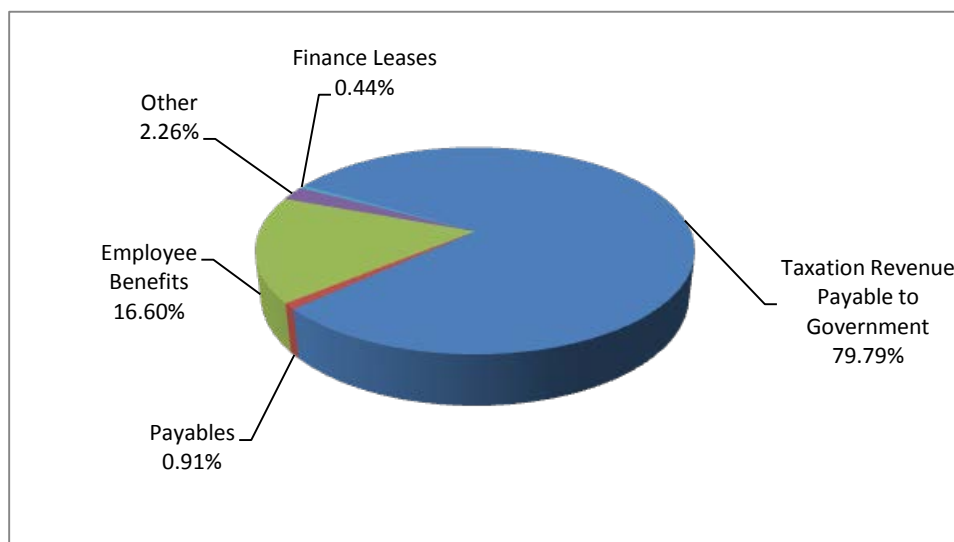
The Commission's total asset position is **\$2.281 million** lower than the 2009-10 actual result of **\$9.883 million** due to a decrease in cash and cash equivalents (**\$2.959 million**) mainly due to a capital distribution to Government of **\$3.900 million**, off-set by an increase in receivables (**\$0.416 million**) due to an increase in accrued gambling taxes and an increase in capital works in progress (**\$0.262 million**) due to the continued development of the Commission's gaming machine database.

## TOTAL LIABILITIES

### 1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities as at 30 June 2011 relate to taxation revenue payable to Government (**80 per cent**) and employee benefits (**17 per cent**).

Figure 4 – Total Liabilities as at 30 June 2011



## 2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2011 of **\$5.285 million** is **\$0.719 million** lower than the 2010-11 budget of **\$6.004 million** largely due to taxation revenue payable to Government (**\$0.495 million**), employee benefits (**\$0.114 million**) and payables (**\$0.073 million**) being lower than anticipated.

## 3. Comparison to 2009-10 Actuals

Total liabilities are **\$0.429 million** higher than the 2009-10 actual results of **\$4.856 million** and is mainly due to an increase in taxation revenue payable to Government (**\$0.447 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 the next financial year's user charges with 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 2009-10 \$'000s	Current Year Budget 2010-11 \$'000s	Current Year Actual 2010-11 \$'000s	Forward Year Budget 2011-12 \$'000s	Forward Year Budget 2012-13 \$'000s	Forward Year Budget 2013-14 \$'000s
Current Assets	9,786	10,459	7,255	11,061	11,679	12,314
Current Liabilities	4,750	5,817	5,240	5,816	5,843	5,840
<b>Current Ratio</b>	<b>2.06:1</b>	<b>1.80:1</b>	<b>1.38:1</b>	<b>1.90:1</b>	<b>2.00:1</b>	<b>2.11:1</b>

The Commission's current ratio for the financial year ended 30 June 2011 is **1.38 to 1** which is lower than the budgeted current ratio of **1.80:1**. The lower ratio reflects a decrease in cash and cash equivalents mainly due to a capital distribution to Government of **\$3.900 million**.

The Commission is expecting to maintain a strong level of liquidity as the current ratio steadily increases in the forward years to **2.11:1** by 2013-14.

## A.6 FINANCIAL REPORT



### ACT AUDITOR-GENERAL'S OFFICE



A11/28

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

Dear Mr Gray

**AUDIT REPORT ON THE FINANCIAL STATEMENTS OF THE  
ACT GAMBLING AND RACING COMMISSION FOR THE  
YEAR ENDED 30 JUNE 2011**

The Audit Office has completed the audit of the financial statements of the  
ACT Gambling and Racing Commission for the year ended 30 June 2011.

I am pleased to attach 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 Economic Development, Mr Andrew Barr MLA.

Yours sincerely

Malcolm Prentice  
Acting Director, Financial Audits  
5 August 2011

c.c. Mr Greg Jones, Chief Executive Officer  
Mr Ron Leonard, Manager, Coordination and Revenue  
Ms Melissa Tetley, Senior Manager, Budget Coordination and Reporting Branch,  
Treasury Directorate



## 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 2011. 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 for the accounting policies and estimates used in the preparation of the financial statements.

#### The auditor's responsibility

My responsibility is to express an independent audit opinion on the financial statements of the Commission based on my audit as required by the *Financial Management Act 1996*.

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.

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 2011:

- (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 2011 and the results of its operations and its cash flows for the year then ended.

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



Malcolm Prentice  
Acting Director, Financial Audits  
5 August 2011



## ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2011

### 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 2011 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

14 July 2011



## ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2011

### 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 2011 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

14 July 2011

**ACT GAMBLING AND RACING COMMISSION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2011**



**ACT Gambling and Racing Commission**  
**Operating Statement**  
**For the Year Ended 30 June 2011**

	<b>Note No.</b>	<b>Actual 2011 \$</b>	<b>Budget 2011 \$</b>	<b>Actual 2010 \$</b>
<b>Income</b>				
<i>Revenue</i>				
Government Payment for Outputs	4	4,333,000	4,336,000	4,249,000
Taxation Collected on Behalf of the Territory	5	53,480,897	51,872,000	52,903,136
Regulatory Fees	6	3,106,064	3,135,000	3,115,054
Interest		225,041	192,000	191,223
Resources Received Free of Charge	7	8,487	25,000	27,306
Other Revenue	8	100,000	75,000	24,360
<i>Total Revenue</i>		<u>61,253,489</u>	<u>59,635,000</u>	<u>60,510,079</u>
<i>Gains</i>				
Other Gains	9	134,643	143,000	163,096
<i>Total Gains</i>		<u>134,643</u>	<u>143,000</u>	<u>163,096</u>
<b>Total Income</b>		<b>61,388,132</b>	<b>59,778,000</b>	<b>60,673,175</b>
<b>Expenses</b>				
Employee Expenses	10	2,387,644	2,709,000	2,328,844
Superannuation Expenses	11	403,845	426,000	398,851
Supplies and Services	12	804,832	1,104,000	739,572
Depreciation and Amortisation	13	8,863	47,000	10,450
Borrowing Costs	14	1,919	2,000	1,824
Other Expenses		1,625	0	1,019
Taxation Revenue Transferred to Government		56,586,961	55,004,000	56,018,190
<b>Total Expenses</b>		<b>60,195,689</b>	<b>59,292,000</b>	<b>59,498,750</b>
<b>Operating Surplus</b>		<b>1,192,443</b>	<b>486,000</b>	<b>1,174,425</b>
<b>Other Comprehensive Income</b>				
Decrease in Asset Revaluation Surplus		2,779	0	0
<b>Total Other Comprehensive Income</b>		<b>2,779</b>	<b>0</b>	<b>0</b>
<b>Total Comprehensive Income</b>		<b>1,189,664</b>	<b>486,000</b>	<b>1,174,425</b>

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 2011**

	<b>Note No.</b>	<b>Actual 2011 \$</b>	<b>Budget 2011 \$</b>	<b>Actual 2010 \$</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	17	2,918,477	5,590,000	5,876,994
Receivables	18	4,324,490	4,868,000	3,908,246
Prepayments		11,848	1,000	1,217
<b>Total Current Assets</b>		<b>7,254,815</b>	<b>10,459,000</b>	<b>9,786,457</b>
<b>Non-Current Assets</b>				
Plant and Equipment	19	25,144	38,000	36,786
Intangible Assets		0	320,000	0
Capital Works in Progress	20	322,430	0	60,000
<b>Total Non-Current Assets</b>		<b>347,574</b>	<b>358,000</b>	<b>96,786</b>
<b>Total Assets</b>		<b>7,602,389</b>	<b>10,817,000</b>	<b>9,883,243</b>
<b>Current Liabilities</b>				
Payables	21	48,158	121,000	67,635
Finance Leases	22	23,444	20,000	8,401
Employee Benefits	23	832,588	804,000	762,911
Taxation Revenue Payable to Government		4,216,765	4,712,000	3,770,248
Other Liabilities	24	119,249	160,000	140,812
<b>Total Current Liabilities</b>		<b>5,240,204</b>	<b>5,817,000</b>	<b>4,750,007</b>
<b>Non-Current Liabilities</b>				
Finance Leases	22	0	0	23,444
Employee Benefits	23	44,831	187,000	82,102
<b>Total Non-Current Liabilities</b>		<b>44,831</b>	<b>187,000</b>	<b>105,546</b>
<b>Total Liabilities</b>		<b>5,285,035</b>	<b>6,004,000</b>	<b>4,855,553</b>
<b>Net Assets</b>		<b>2,317,354</b>	<b>4,813,000</b>	<b>5,027,690</b>
<b>Equity</b>				
Accumulated Funds		2,315,246	4,808,000	5,022,803
Asset Revaluation Surplus	25	2,108	5,000	4,887
<b>Total Equity</b>		<b>2,317,354</b>	<b>4,813,000</b>	<b>5,027,690</b>

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 2011**

		Accumulated Funds Actual 2011 \$	Asset Revaluation Surplus Actual 2011 \$	Total Equity Actual 2011 \$	Original Budget 2011 \$
	Note No.				
<b>Balance at the Beginning of the Reporting Period</b>		<b>5,022,803</b>	<b>4,887</b>	<b>5,027,690</b>	<b>4,327,000</b>
<b>Comprehensive Income</b>					
Operating Surplus		1,192,443	0	1,192,443	486,000
Increase/(Decrease) in the Asset Revaluation Surplus	25	0	(2,779)	(2,779)	0
<b>Total Comprehensive Income</b>		<b>1,192,443</b>	<b>(2,779)</b>	<b>1,189,664</b>	<b>486,000</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>					
Distribution to Government		(3,900,000)	0	(3,900,000)	0
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>(3,900,000)</b>	<b>0</b>	<b>(3,900,000)</b>	<b>0</b>
<b>Balance at the End of the Reporting Period</b>		<b>2,315,246</b>	<b>2,108</b>	<b>2,317,354</b>	<b>4,813,000</b>

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

**ACT Gambling and Racing Commission  
Statement of Changes in Equity  
For the Year Ended 30 June 2011**

		Accumulated Funds Actual 2010 \$	Asset Revaluation Surplus Actual 2010 \$	Total Equity Actual 2010 \$	Original Budget 2010 \$
Note No.					
<b>Balance at the Beginning of the Reporting Period</b>		<b>3,848,378</b>	<b>4,887</b>	<b>3,853,265</b>	<b>1,656,000</b>
<b>Comprehensive Income</b>					
Operating Surplus		1,174,425	0	1,174,425	247,000
Increase/(Decrease) in the Asset Revaluation Surplus	25	0	0	0	0
<b>Total Comprehensive Income</b>		<b>1,174,425</b>	<b>0</b>	<b>1,174,425</b>	<b>247,000</b>
<b>Balance at the End of the Reporting Period</b>		<b>5,022,803</b>	<b>4,887</b>	<b>5,027,690</b>	<b>1,903,000</b>

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 2011**

	<b>Note No.</b>	<b>Actual 2011 \$</b>	<b>Budget 2011 \$</b>	<b>Actual 2010 \$</b>
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Government Payment for Outputs		4,333,000	4,336,000	4,249,000
Taxation Collected on Behalf of the Territory		53,055,943	51,872,000	53,864,783
Regulatory Fees		3,084,501	3,135,000	3,095,437
Interest Received		235,089	192,000	178,348
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		110,846	113,000	82,098
Goods and Services Tax Collected		10,164	0	2,939
Other Receipts		234,643	218,000	181,342
<b>Total Receipts from Operating Activities</b>		<b>61,064,186</b>	<b>59,866,000</b>	<b>61,653,947</b>
<b>Payments</b>				
Employee		2,356,721	2,640,000	2,349,057
Superannuation		402,361	426,000	397,317
Supplies and Services		825,310	1,081,000	766,153
Borrowing Costs		1,919	2,000	1,824
Other Payments		1,625	0	1,019
Taxation Revenue transferred to Government		56,140,444	55,007,000	56,960,220
Goods and Services Tax Remitted to the Australian Taxation Office		11,307	0	1,477
Goods and Services Tax Paid to Suppliers		112,185	113,000	79,341
<b>Total Payments from Operating Activities</b>		<b>59,851,872</b>	<b>59,269,000</b>	<b>60,556,408</b>
<b>Net Cash Inflows from Operating Activities</b>	30	<b>1,212,314</b>	<b>597,000</b>	<b>1,097,539</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from Sale of Plant and Equipment		0	0	24,879
<b>Total Receipts from Investing Activities</b>		<b>0</b>	<b>0</b>	<b>24,879</b>
<b>Payments</b>				
Purchase of Plant and Equipment		0	10,000	0
Purchase of Intangibles		262,430	156,000	60,000
<b>Total Payments from Investing Activities</b>		<b>262,430</b>	<b>166,000</b>	<b>60,000</b>
<b>Net Cash (Outflows) from Investing Activities</b>		<b>(262,430)</b>	<b>(166,000)</b>	<b>(35,121)</b>

**ACT Gambling and Racing Commission  
Cash Flow Statement - Continued  
For the Year Ended 30 June 2011**

	<b>Note No.</b>	<b>Actual 2011 \$</b>	<b>Budget 2011 \$</b>	<b>Actual 2010 \$</b>
<b>Cash Flows from Financing Activities</b>				
<b>Payments</b>				
Repayment of Finance Lease Liabilities		8,401	7,000	27,295
Distributions to Government		3,900,000	0	0
<b>Total Payments from Financing Activities</b>		<b>3,908,401</b>	<b>7,000</b>	<b>27,295</b>
<b>Net Cash (Outflows) from Financing Activities</b>				
		<b>(3,908,401)</b>	<b>(7,000)</b>	<b>(27,295)</b>
<b>Net Increase in Cash and Cash Equivalents</b>				
		<b>(2,958,517)</b>	<b>424,000</b>	<b>1,035,123</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		5,876,994	5,166,000	4,841,871
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	<b>30</b>	<b>2,918,477</b>	<b>5,590,000</b>	<b>5,876,994</b>

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 2011**

	<b>Budget 2011 \$</b>	<b>Total Appropriated 2011 \$</b>	<b>Appropriation Drawn 2011 \$</b>	<b>Appropriation Drawn 2010 \$</b>
Government Payment for Outputs	4,336,000	4,336,000	4,333,000	4,249,000
<b>Total Appropriation</b>	<b>4,336,000</b>	<b>4,336,000</b>	<b>4,333,000</b>	<b>4,249,000</b>

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

**Column Heading Explanations**

The *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 these financial statements in the Cash Flow Statement of the ACT Gambling and Racing Commission.

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 these financial statements in the Cash Flow Statement of the ACT Gambling and Racing Commission.

**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 2011**

**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 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.

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**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 2 Summary of Significant Accounting Policies – Continued**

**a) Basis of Accounting - Continued**

These financial statements are presented in Australian dollars which is the Commission's functional currency.

The Commission is an individual reporting entity.

**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 2011 together with the financial position of the Commission as at 30 June 2011.

**c) Comparative Figures**

*Budget Figures*

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

*Taxes, Fees and Fines*

All taxes, fees and fines are recognised as revenue in the period in which the payment relates to.

**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.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 2 Summary of Significant Accounting Policies - Continued**

**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.

**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.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 2 Summary of Significant Accounting Policies - Continued**

**k) Receivables**

Accounts receivable (including gambling taxes accrued 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.

Gambling taxes accrued 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.

Other trade receivables arise outside the normal course of selling goods and services to other agencies and to the public. Other trade receivables are payable within 30 days after the issue of an invoice or the goods/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 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.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 2 Summary of Significant Accounting Policies - Continued**

**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.

The fair value of Commission assets was obtained by seeking an estimate of the 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) Depreciation 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. 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 for non-current assets is determined as follows:

<u><b>Class of Asset</b></u>	<u><b>Depreciation Method</b></u>	<u><b>Useful Life (Years)</b></u>
Plant and Equipment	Straight Line	Five years
Plant and Equipment under a Finance Lease	Straight Line	Length of lease (Two years)

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

**o) 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.

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.

**ACT Gambling and Racing Commission**  
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**Note 2 Summary of Significant Accounting Policies – Continued**

**p) Leases**

The Commission has entered into finance leases for motor vehicles.

*Finance Lease*

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.

**q) 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.

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 2010-11, the discount factor used to estimate the present value of these future payments is 92.2% (92.9% in 2009-10).

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.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2011**

**Note 2 Summary of Significant Accounting Policies – Continued**

**q) Employee Benefits - Continued**

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.

**r) Superannuation**

Superannuation payments are made to the Territory Banking Account each year to cover the Commission's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution but does not include the productivity component. The productivity component is paid directly to Comsuper by the Commission. The CSS and PSS are defined benefit superannuation plans which mean that the defined benefits received by employees are based on the employee's years of service and average final salary.

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

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

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.

**s) Equity Contributed by the ACT Government**

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

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
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**Note 2 Summary of Significant Accounting Policies – Continued**

**t) Insurance**

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

**u) 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:

*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(q) *Employee Benefits* and Note 3 *Change in Accounting Policy and Accounting Estimates*.

*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*.

*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*.

*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(n) - *Depreciation of Non-Current Assets*.

**v) 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. 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.



**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
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**Note 2 Summary of Significant Accounting Policies - Continued**

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

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2011);
- AASB 7 Financial Instruments: Disclosure (application date 1 January 2011);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2011);
- AASB 107 Statement of Cash Flows (application date 1 January 2011);
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);
- AASB 118 Revenue (application date 1 January 2011);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2011);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);
- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2011);
- AASB 1031 Materiality (application date 1 January 2011);
- AASB 1053 Application of Tiers of Australian Accounting Standards (applications date 1 July 2013);
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023, & 1038 and Interpretations 10 & 12] (application date 1 January 2013);
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (application date 1 January 2013);
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (application date 1 July 2011);
- 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 Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (application date 1 January 2011).

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**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 3 Change in Accounting Policy and Accounting Estimates**

**Change in Accounting Estimate**

*Revision of the Employee Benefit Discount Rate*

As disclosed in Note 2(q) *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 estimated future payments are discounted back to present value using the government bond rate.

The discount rate used to estimate the present value of the payments decreased from 92.9% in 2009-10 to 92.2% in 2010-11.

This change has resulted in a decrease to the estimate of the long service leave liability and expense in the current reporting period of \$3,788.

**Change in Accounting Policy**

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

**ACT Gambling and Racing Commission**  
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**For the Year Ended 30 June 2011**

**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.

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from the ACT Government</b>		
Government Payment for Outputs	4,333,000	4,249,000
<b>Total Government Payment for Outputs</b>	<b>4,333,000</b>	<b>4,249,000</b>

**Note 5 Taxation Collected on Behalf of the Territory**

Gaming Machines	35,349,756	33,671,337
Interstate Lotteries	14,280,507	15,450,909
Casino	2,080,895	2,156,297
ACTTAB	1,326,508	1,262,142
Sports Betting	443,231	362,451
<b>Total Taxation Collected on Behalf of the Territory</b>	<b>53,480,897</b>	<b>52,903,136</b>

**Note 6 Regulatory Fees**

Gaming Machines	178,825	178,543
Lotteries	2,055,969	2,100,957
Casino	819,357	788,291
Sports Betting	48,419	47,084
Racing	3,494	179
<b>Total Regulatory Fees</b>	<b>3,106,064</b>	<b>3,115,054</b>

**Note 7 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	8,487	27,306
<b>Total Resources Received Free of Charge</b>	<b>8,487</b>	<b>27,306</b>

**Note 8 Other Revenue**

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

**Revenue from Non-ACT Government Entities**

Race Field Information Charge Fee	100,000	24,360
<b>Total Other Revenue from Non-ACT Government Entities</b>	<b>100,000</b>	<b>24,360</b>
<b>Total Other Revenue</b>	<b>100,000</b>	<b>24,360</b>

**ACT Gambling and Racing Commission**  
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**Note 9 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.

	2011	2010
	\$	\$
Gains From Sale of Assets	0	6,114
Unclaimed Prizes	134,643	156,982
<b>Total Other Gains</b>	<b>134,643</b>	<b>163,096</b>

**Note 10 Employee Expenses**

Wages and Salaries	2,137,546	2,093,661
Annual Leave Expense	182,819	184,815
Long Service Leave Expense	53,524	24,076
Comcare Premium	13,755	8,092
Other Employee Benefits	0	18,200
<b>Total Employee Expenses</b>	<b>2,387,644</b>	<b>2,328,844</b>

**Note 11 Superannuation Expenses**

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 for its portion of the Territory's Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) superannuation liability. The productivity benefit for these schemes is paid directly to Comsuper.

Superannuation payments have been made direct to Comsuper to cover the superannuation liability for employees that are in the Public Sector Superannuation Scheme Accumulation Plan (PSSAP).

Superannuation payments are also made to external providers as part of the employee fund of choice arrangements and to employment agencies for the superannuation contribution that the Commission is required to make for the contract staff it employs.

Superannuation Contributions to the Territory Banking Account	276,738	285,639
Productivity Benefit	38,601	39,846
Superannuation Payment to Comsuper (for the PSSAP)	14,756	17,838
Superannuation to External Providers	73,750	55,528
<b>Total Superannuation Expenses</b>	<b>403,845</b>	<b>398,851</b>

**Note 12 Supplies and Services**

Rent and Related Expenses	236,709	210,073
Travel	8,118	17,992
Research Expenses	120,411	150,066
General Administration Costs	126,538	113,578
Audit Fees	27,798	25,088
Personnel Services	73,726	34,200
Computer Support Services	203,045	161,269
Legal Fees	8,487	27,306
<b>Total Supplies and Services</b>	<b>804,832</b>	<b>739,572</b>

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

	2011 \$	2010 \$
<b>Note 13 Depreciation</b>		
<b>Depreciation</b>		
Plant and Equipment	1,772	1,807
Plant and Equipment under a Finance Lease	7,091	8,643
<b>Total Depreciation</b>	<b>8,863</b>	<b>10,450</b>

<b>Note 14 Borrowing Costs</b>		
Finance Charges on Finance Leases	1,919	1,824
<b>Total Borrowing Costs</b>	<b>1,919</b>	<b>1,824</b>

**Note 15 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.

<b>Impairment Losses</b>	<b>No.</b>		<b>No.</b>	
<i>Impairment Loss from Property Plant and Equipment</i>				
Plant and Equipment	2	3,212	0	0
<i>Total Impairment Loss from Property Plant and Equipment</i>	2	3,212	0	0
<b>Total Impairment Losses</b>	<b>2</b>	<b>3,212</b>	<b>0</b>	<b>0</b>

The impairment loss from Plant and Equipment is due to a decrease in current market values for the Commission's motor vehicles.

There were no waivers or write offs during the reporting period (2009-2010 Nil).

**Note 16 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**

Audit Fees Paid to the ACT Auditor-General's Office	27,798	25,088
<b>Total Audit Fees</b>	<b>27,798</b>	<b>25,088</b>

**Note 17 Cash and Cash Equivalents**

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 4.51% (2009-2010 3.52%).

Cash at Bank <sup>a</sup>	2,918,308	5,876,721
Cash on Hand	169	273
<b>Total Cash and Cash Equivalents</b>	<b>2,918,477</b>	<b>5,876,994</b>

<sup>a</sup> The decrease in cash at bank is due to a capital distribution of surplus funds to the Territory Bank Account.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Note 18 Receivables</b>		
Gaming Machine Taxation <sup>a</sup>	2,604,688	2,347,549
Interstate Lotteries Duty <sup>b</sup>	1,304,414	1,117,000
Casino Taxation <sup>c</sup>	168,501	191,539
ACTTAB Licence Fee	118,131	134,692
Sports Bookmakers Taxation <sup>d</sup>	105,000	85,000
<b>Sub-Total (Gambling Taxes Accrued)</b>	<b>4,300,734</b>	<b>3,875,780</b>
Other Trade Receivables	11,133	21,181
Net GST Receivable	12,623	11,285
<b>Sub-Total (Other Receivables)</b>	<b>23,756</b>	<b>32,466</b>
<b>Total Receivables</b>	<b>4,324,490</b>	<b>3,908,246</b>

<sup>a</sup> The increase in Gaming Machine Taxation is due to a increase in activity for the month of June payable in July.

<sup>b</sup> The increase in Interstate Lotteries Duty is due to an estimated increase in activity for the month of June payable in July.

<sup>c</sup> The decrease in Casino Taxation is due to a decrease in activity for June payable in July.

<sup>d</sup> The increase in Sports Bookmakers Taxation is due to an estimated increase in activity for the payment period ending 30 June payable in July.

**Ageing of Receivables**

	<b>Not Overdue</b>	<b>Past Due</b>			<b>Total</b>
		<b>Less than 30 Days</b>	<b>30 to 60 days</b>	<b>Greater than 60 Days</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2011</b>					
Receivables	4,324,490	0	0	0	4,324,490
<b>2010</b>					
Receivables	3,908,246	0	0	0	3,908,246

<b>Classification of ACT Government/Non-ACT Government Receivables</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Receivables with ACT Government Entities</b>		
Gambling Taxes Accrued	118,131	134,692
<b>Total Receivables with ACT Government Entities</b>	<b>118,131</b>	<b>134,692</b>
<b>Receivables with Non-ACT Government Entities</b>		
Gambling Taxes Accrued	4,182,603	3,741,088
Other Trade Receivables	11,133	21,181
Net GST Receivable	12,623	11,285
<b>Total Receivables with Non-ACT Government Entities</b>	<b>4,206,359</b>	<b>3,773,554</b>
<b>Total Receivables</b>	<b>4,324,490</b>	<b>3,908,246</b>

**ACT Gambling and Racing Commission**  
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**Note 19 Plant and Equipment**

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

	2011 \$	2010 \$
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	5,191	9,034
Less: Accumulated Depreciation	(47)	(2,551)
<b>Total Written Down Value of Plant and Equipment</b>	<b>5,144</b>	<b>6,483</b>
<b>Plant and Equipment under a Finance Lease</b>		
Plant and Equipment under a Finance Lease at Fair Value	20,000	35,698
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	0	(5,395)
<b>Total Written Down Value of Plant and Equipment under a Finance Lease</b>	<b>20,000</b>	<b>30,303</b>
<b>Total Written Down Value of Plant and Equipment</b>	<b>25,144</b>	<b>36,786</b>

**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.

**Reconciliation of Plant and Equipment**

The following table shows the movement of Plant and Equipment during 2010-11 and 2009-10.

2010-11	Plant and Equipment \$	Total \$
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>36,786</b>	<b>36,786</b>
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)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>25,144</b>	<b>25,144</b>
<b>2009-10</b>	<b>Plant and Equipment \$</b>	<b>Total \$</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>30,303</b>	<b>30,303</b>
Additions	35,698	35,698
Disposals	(18,765)	(18,765)
Revaluation Increment	0	0
Impairment Loss Recognised in Other Comprehensive Income	0	0
Depreciation	(10,450)	(10,450)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>36,786</b>	<b>36,786</b>

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
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**Note 20 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 as the Commission is not deriving any economic benefits from them.

	2011	2010
	\$	\$
Software Works in Progress	322,430	60,000
<b>Total Capital Works in Progress</b>	<b>322,430</b>	<b>60,000</b>

**Reconciliation of Capital Works in Progress**

The following table shows the movement of Capital Works in Progress during 2010-11 and 2009-10.

**2010-11**

	Software Works in Progress \$	Total \$
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>60,000</b>	<b>60,000</b>
Additions	262,430	262,430
<b>Carrying Amount at the End of the Reporting Period</b>	<b>322,430</b>	<b>322,430</b>

**2009-10**

	Software Works in Progress \$	Total \$
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>0</b>	<b>0</b>
Additions	60,000	60,000
<b>Carrying Amount at the End of the Reporting Period</b>	<b>\$60,000</b>	<b>\$60,000</b>

The increase in Software Works in Progress is due to the continued development of the Commission's new gaming machine database system which was not completed at the end of the reporting period.

**Note 21 Payables**

Trade Payables	15,352	4,588
Accrued Expenses	32,806	63,047
<b>Total Payables</b>	<b>48,158</b>	<b>67,635</b>

**Ageing of Payables**

Payables are aged as follows:

Not overdue	48,158	67,635
Overdue for less than 30 days	0	0
Overdue for 30 to 60 days	0	0
Overdue for more than 60 days	0	0
<b>Total Payables</b>	<b>48,158</b>	<b>67,635</b>



**ACT Gambling and Racing Commission**  
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	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Note 21 Payables - Continued</b>		
<b>Classification of ACT Government/Non-ACT Government Payables</b>		
<b>Payables with ACT Government Entities</b>		
Trade Payables	379	0
Accrued Expenses	32,076	61,209
<b>Total Payables with ACT Government Entities</b>	<b>32,455</b>	<b>61,209</b>
<b>Payables with Non-ACT Government Entities</b>		
Trade Payables	14,973	4,588
Accrued Expenses	730	1,838
<b>Total Payables with Non-ACT Government Entities</b>	<b>15,703</b>	<b>6,426</b>
<b>Total Payables</b>	<b>48,158</b>	<b>67,635</b>
<b>Note 22 Finance Leases</b>		
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 6.48% and 7.17% with both leases on a two year term. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses.		
<b>Current Finance Leases</b>		
<b>Secured</b>		
Finance Leases	23,444	8,401
<b>Total Current Secured Finance Leases</b>	<b>23,444</b>	<b>8,401</b>
<b>Non-Current Finance Leases</b>		
<b>Secured</b>		
Finance Leases	0	23,444
<b>Total Non-Current Secured Finance Leases</b>	<b>0</b>	<b>23,444</b>
<b>Total Finance Leases</b>	<b>23,444</b>	<b>31,845</b>

**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.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 22 Finance leases - Continued****Finance Leases**

Finance lease commitments are payable as follows:

Within one year	23,919	10,320
Later than one year but not later than five years	0	23,919
Later than five years	0	0

**Minimum Lease Payments**

<i>Less: Future Finance Lease Charges</i>	(475)	(2,394)
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<b>Amount Recognised as a Liability</b>	<b>23,444</b>	<b>31,845</b>
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**Total Present Value of Minimum Lease Payments**

<b>23,444</b>	<b>31,845</b>
---------------	---------------

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

Within one year	23,444	8,401
Later than one year but not later than five years	0	23,444
Later than five years	0	0

**Total Present Value of Minimum Lease Payments**

<b>23,444</b>	<b>31,845</b>
---------------	---------------

**Classification on the Balance Sheet****Finance Leases**

Current Finance Leases	23,444	8,401
Non-Current Finance Leases	0	23,444
<b>Total Finance Leases</b>	<b>23,444</b>	<b>31,845</b>

**Note 23 Employee Benefits****Current Employee Benefits**

Annual Leave	267,769	285,098
Long Service Leave	489,421	398,627
Accrued Wages and Salaries	75,398	60,986
Other Benefits	0	18,200
<b>Total Current Employee Entitlements</b>	<b>832,588</b>	<b>762,911</b>

**Non-Current Employee Benefits**

Long Service Leave	44,831	82,102
<b>Total Non-Current Employee Entitlements</b>	<b>44,831</b>	<b>82,102</b>

**Total Employee Benefits**

<b>877,419</b>	<b>845,013</b>
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**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 23 Employee Benefits - Continued**  
**Estimate of when Leave is Payable**

**Estimated Amount Payable within 12 Months**

Annual Leave	267,769	285,098
Long Service Leave	35,281	9,842
Accrued Wages and Salaries	75,398	60,986
Other Benefits	0	18,200
<b>Total Employee Benefits Payable within 12 Months</b>	<b>378,448</b>	<b>374,126</b>

**Estimated Amount Payable after 12 Months**

Long Service Leave	498,971	470,887
<b>Total Employee Benefits Payable after 12 Months</b>	<b>498,971</b>	<b>470,887</b>

<b>Total Employee Benefits</b>	<b>877,419</b>	<b>845,013</b>
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At the end of 2010-11 the ACT Gambling and Racing Commission had 29.14 full-time equivalent staff employed (2009-10 27 full-time equivalent staff).

**Note 24 Other Liabilities**

**Current Other Liabilities**

Revenue Received in Advance		
- Casino Licence	83,969	81,444
- Sports Bookmakers Annual Licence	0	24,088
- Security – Interactive Gambling	35,280	35,280
<b>Total Current Other Liabilities</b>	<b>119,249</b>	<b>140,812</b>

**Note 25 Equity**

**Asset Revaluation Surplus**

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

<b>Balance at the Beginning of the Reporting Period</b>	<b>4,887</b>	<b>4,887</b>
Increase/(Decrease) in the Asset Revaluation Surplus	(2,779)	0
<b>Total Increase/(Decrease) in Asset Revaluation Surplus</b>	<b>(2,779)</b>	<b>0</b>
<b>Balance at the End of the Reporting Period</b>	<b>2,108</b>	<b>4,887</b>

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**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 26 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 increased during the year ended 30 June 2011 and, as such, have resulted in an increase 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 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 provision 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 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 risk since last financial year.

**Liquidity Risk**

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

The Commission's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 26 Financial Instruments – Continued****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 2011 \$	Fair Value 2011 \$	Carrying Amount 2010 \$	Fair Value 2010 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	2,918,477	2,918,477	5,876,994	5,876,994
Receivables	23,756	23,756	32,466	32,466
<b>Total Financial Assets</b>	<b>2,942,233</b>	<b>2,942,233</b>	<b>5,909,460</b>	<b>5,909,460</b>
<b>Financial Liabilities</b>				
Payables	48,158	48,158	67,635	67,635
Finance Leases	23,444	23,444	31,845	31,845
<b>Total Financial Liabilities</b>	<b>71,602</b>	<b>71,602</b>	<b>99,480</b>	<b>99,480</b>

**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 2011**

**Note 26 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.

Financial Instruments	Note	Floating Interest Rate \$	Fixed Interest maturing in:			Non-Interest Bearing \$	Total \$
			1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$		
<b>Financial Assets</b>							
Cash and Cash Equivalents	17	2,918,308	0	0	0	169	2,918,477
Receivables	18	0	0	0	0	23,756	23,756
<b>Total Financial Assets</b>		<b>2,918,308</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,925</b>	<b>2,942,233</b>
Weighted Average Interest Rate		4.51%					
<b>Financial Liabilities</b>							
Payables	22	0	0	0	0	48,158	48,158
Finance Leases	23	0	23,919	0	0	0	23,919
<b>Total Financial Liabilities</b>		<b>0</b>	<b>23,919</b>	<b>0</b>	<b>0</b>	<b>48,158</b>	<b>72,077</b>
Weighted Average Interest Rate			6.83%				
<b>Net Financial Assets/(Liabilities)</b>		<b>2,918,308</b>	<b>(23,919)</b>	<b>0</b>	<b>0</b>	<b>(24,233)</b>	<b>2,870,156</b>

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 26 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 2010. 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.

Financial Instruments	Note	Floating Interest Rate \$	Fixed Interest maturing in:			Non-Interest Bearing \$	Total \$	
			1 Year or Less \$	Over 1 Year to 5 Years				Over 5 Years \$
<b>Financial Assets</b>								
Cash and Cash Equivalents	17	5,876,721	0	0	0	273	5,876,994	
Receivables	18	0	0	0	0	32,466	32,466	
<b>Total Financial Assets</b>		<b>5,876,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,739</b>	<b>5,909,460</b>	
Weighted Average Interest Rate		3.52%						
<b>Financial Liabilities</b>								
Payables	22	0	0	0	0	67,635	67,635	
Finance Leases	23	0	10,320	23,919	0	0	34,239	
<b>Total Financial Liabilities</b>		<b>0</b>	<b>10,320</b>	<b>23,919</b>	<b>0</b>	<b>67,635</b>	<b>101,874</b>	
Weighted Average Interest Rate			6.83%	6.83%				
<b>Net Financial Assets/(Liabilities)</b>		<b>5,876,721</b>	<b>(10,320)</b>	<b>(23,919)</b>	<b>0</b>	<b>(34,896)</b>	<b>5,807,586</b>	

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 26 Financial Instruments – Continued**

Carrying Amount of Each Category of Financial Asset and Financial Liability	2011 \$	2010 \$
<b>Financial Assets</b>		
Loans and Receivables	23,756	32,466
<b>Financial Liabilities</b>		
Financial Liabilities Measured at Amortised Cost	71,602	99,480

The Commission does not have any financial assets in the “Financial Assets at Fair Value through the 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 27 Remuneration of Commissioners**

Commission members (other than the Chief Executive Officer) were appointed by the Minister 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 2011 are:

Mr M Gray	Chair
Mr M Rolfe	Deputy Chair
Dr M Doverty	Member
Ms WJ Perry	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.17 of November 2009 and Determination No.12 November 2010 of the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Commission was \$115,383 (2009-10 \$110,333).

There were no other related party transactions during the period.



**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 28 Commitments****Capital Commitments**

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

<i>Capital Commitments – Intangible Assets</i>	<b>2011</b> \$	<b>2010</b> \$
Payable:		
Within One Year	47,797	300,000
Later than one year but no later than five years	0	0
Later than 5 years	0	0
<i>Total Capital Commitments – Intangible Assets</i>	<b>47,797</b>	<b>300,000</b>
<b>Total Capital Commitments</b>	<b>47,797</b>	<b>300,000</b>

The decrease in capital commitments is due to the implementation of an externally purchased gaming machine database system being close to finalisation.

**Other Commitments**

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

Within One Year	650,730	0
Later than one year but no later than five years	1,301,460	0
Later than 5 years	0	0
<b>Total Other Commitments</b>	<b>1,952,190</b>	<b>0</b>

The increase in other commitments relates to the provision of problem gambling support services to the ACT community that commenced on 1 July 2011.

**Note 29 Contingent Liabilities and Contingent Assets***Contingent Liabilities*

During August 2006 notification of a possible claim against the Commission in accordance with the provisions of the *Civil Law (Wrongs) Act 2002* was received. This claim is a result of a medical condition allegedly relating to possible passive smoking during the claimant's period of employment with ACTTAB. The Commission's contingent liability amount on the potential claim is currently estimated by the ACT Government Solicitor's Office at Nil (2009-10 \$60,000).

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 claim is currently estimated at \$2,163,981 (2009-10 \$2,031,045).

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 30 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.**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Total Cash and Cash Equivalents recorded in the Balance Sheet	2,918,477	5,876,994
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<b><u>2,918,477</u></b>	<b><u>5,876,994</u></b>

**(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus**

Operating Surplus	1,192,443	1,174,425
<b>Add/(Less) Non-Cash Items</b>		
Add Depreciation	8,863	10,450
Add Non-Cash Expense on Acquisition of Motor Vehicles	0	1,785
<b>Add/(Less) Items Classified as Investing or Financing</b>		
Net (Gain) on Disposal of Non-Current Assets	0	(6,114)
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b><u>1,201,306</u></b>	<b><u>1,180,546</u></b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	(417,388)	952,991
(Increase) in Prepayments	(10,631)	(598)
(Decrease) in Payables	(18,334)	(55,074)
Increase/(Decrease) in Employee Benefits	32,407	(18,679)
Increase/(Decrease) in Taxation Revenue Payable	446,517	(942,030)
(Decrease) in Other Liabilities	(21,563)	(19,617)
<b>Net Changes In Operating Assets and Liabilities</b>	<b><u>11,008</u></b>	<b><u>(83,007)</u></b>
<b>Net Cash Inflows from Operating Activities</b>	<b><u>1,212,314</u></b>	<b><u>1,097,539</u></b>

**(c) Non-Cash Financing Activities**

Due to changes in the Whole-of-Government motor vehicle leasing arrangements, all new motor vehicle leases entered into by the Commission are under a finance lease rather than under an operating lease.

Acquisition of Motor Vehicles by means of Finance Leases	0	2
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**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2011**

**Note 31 Events Occurring After Balance Date**

There were no events occurring after the balance date that would affect the financial statements as at 30 June 2011.

**Note 32 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.

	2011	2010
	\$	\$
<b>Race Field Information Charge</b>		
<b>Balance at the Beginning of the Reporting Period</b>	<b>0</b>	<b>0</b>
Cash Receipts	2,310,597	536,294
Cash Payments	(2,310,597)	(536,294)
<b>Balance at the End of the Reporting Period</b>	<b>0</b>	<b>0</b>

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

## A.7 STATEMENT OF PERFORMANCE

**ACT AUDITOR-GENERAL'S OFFICE**

A11/28

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

Dear Mr Gray

*Malcolm*

**REPORT OF FACTUAL FINDINGS ON THE STATEMENT OF  
PERFORMANCE OF THE ACT GAMBLING AND RACING COMMISSION  
FOR THE YEAR ENDED 30 JUNE 2011**

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 2011.

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 Economic Development, Mr Andrew Barr MLA.

Yours sincerely

Bernie Sheville  
Director, Financial Audits  
15 August 2011

c.c. Mr Greg Jones, Chief Executive Officer, ACT Gambling and Racing Commission



## 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 2011.

#### **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 to measure the results 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, 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 performance indicators reported in the statement of performance or the related performance targets.

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**

I followed applicable independence requirements of Australian professional ethical pronouncements 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 2011 does not fairly present the performance of the Commission in accordance with the *Financial Management Act 1996*.



Bernie Sheville  
Director, Financial Audits  
15 August 2011



**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2011**

**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 2011 and also fairly reflects the judgements exercised in preparing it.

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

Malcolm Gray  
Chairperson  
ACT Gambling and Racing Commission

5 August 2011

**ACT GAMBLING AND RACING COMMISSION**

**STATEMENT OF PERFORMANCE**

**FOR THE YEAR ENDED 30 JUNE 2011**



**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2011**

**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 2011**

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**Output Class 1: Gambling Regulation and Compliance**
**Output 1.1: Gambling Regulation and Compliance**

	Original Target 2010-11	Actual Result 2010-11	% Variance from Target	Reasons for Material Variance
<b>Total cost</b>	<b>\$4,288,000</b>	<b>\$3,608,728</b>	(15.8)	1
<b>Government payment for outputs</b>	<b>\$4,336,000</b>	<b>\$4,333,000</b>	(0.07)	

**Accountability Indicators**

*Effectively regulate gambling and racing activity for statutory compliance*

- a Conduct compliance audits of operator activity to detect compliance with legal framework

– Casino	100	100	0
– Gaming Machines	250	251	0.4
– Bookmakers	50	53	6
– Minor Lotteries	90	90	0

*Ensure compliance with statutory payment of taxes and fees*

- b Conduct revenue audits to ensure correct payment of taxes and fees received

– Casino	12	12	0
– Gaming Machines	12	12	0
– Bookmakers	12	12	0

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**Reasons for Material Variance**

- The result reflects lower than expected employee and superannuation expenditure due to the time-lag in employing staff after resignations, staff utilising part-time work options during the reporting period and a decrease in annual leave taken by employees. In addition, lower than expected supplies and services expenditure occurred in Commission funded research, travel, general administration and repairs and maintenance.

**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 ensure that licensees are compliant with statutory requirements.
- Ensure compliance with statutory payment of taxes and fees.
  - The Commission has met all of its original audit targets to ensure 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 2011**

**Additional performance measures included in the Commission's 2010-11 Statement of Intent.**

Objective	Activity	Measured by	Original Target 2010-11	Actual Result 2010-11	% Variance from Target
1. Review gaming legislation and policies and implement changes	Critical examination of gaming laws and gaming policy issues	Provision of reports or briefs to Commission or Minister, implementation of reviews or policy issues considered	Completion of at least one report, brief or review	1	0
2. Coordinate research and education projects	Assessment and oversight of relevant projects	Number of projects successfully established or completed	Completion of at least one project	2	0
3. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2010-11 budget	Achieve or improve the 2010-11 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating result of \$1,192,443 exceeds the budgeted operating result of \$486,000	0

**Outcomes of Measures**

1. Review gaming legislation and policies and implement changes.
  - The Commission has:
    - completed its review of the Governance Provisions of the *Gaming Machine Act 2004* in November 2010 and forwarded its report to the then Minister for Gaming and Racing.
2. Coordinate research and education projects.
  - The Commission has:
    - completed the research project on the nature and extent of gambling and problem gambling in the ACT which was released in November 2010; and
    - completed the research project on the distribution of problem gambling in the ACT adult population which was finalised in June 2011.
3. Effectively manage Commission resources.
  - The Commission has achieved an operating surplus of \$1,192,443 against the 2010-11 budgeted result of \$486,000.

**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2011**

**Financial performance measures included in the Commission's 2010-11 Statement of Intent.**

	<b>Original Target 2010-11</b>	<b>Actual Result 2010-11</b>	<b>% Variance from Target</b>	<b>Reasons for Material Variance</b>
<b>Profitability</b>				
Return on Assets	4.49%	15.71%	249.9	1
Return on Equity	10.10%	51.54%	410.3	2
Profit Margin	11.02%	27.56%	150.1	3
<b>Financial Management</b>				
Current Ratio	1.80:1	1.38:1	(23.3)	4
Cash Position	0.52:1	0.38:1	(26.9)	2
<b>Financial Stability</b>				
Debt Ratio	0.56:1	0.70:1	25.0	4
Gearing Ratio	0.01:1	0.01:1	0	
<b>Debt Management</b>				
Interest Cover Ratio	243:1	622:1	156.0	3

**Reasons for Material Variance**

1. The increase reflects the improvement in the Commission's operating result mainly due to reduced expenditure on supplies and services and employee expenses. It also reflects a decrease in current assets due to a reduction in cash and cash equivalents mainly as a result of a capital distribution to Government of \$3.9 million and a reduction in receivables due to lower gaming revenue for the month of June payable in July.
2. The variance reflects the improvement in the Commission's operating result mainly due to reduced expenditure on supplies and services and employee expenses as well as a decrease in current assets due to a reduction in cash and cash equivalents mainly as a result of a capital distribution to Government of \$3.9 million.
3. The increase reflects the improvement in the Commission's operating result mainly due to reduced expenditure on supplies and services and employee expenses.
4. The variance reflects a decrease in cash and cash equivalents mainly as a result of a capital distribution to Government of \$3.9 million and a reduction in both receivables and taxation revenue payable to Government due to lower gaming revenue for the month of June payable in July.

**Explanation of 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*

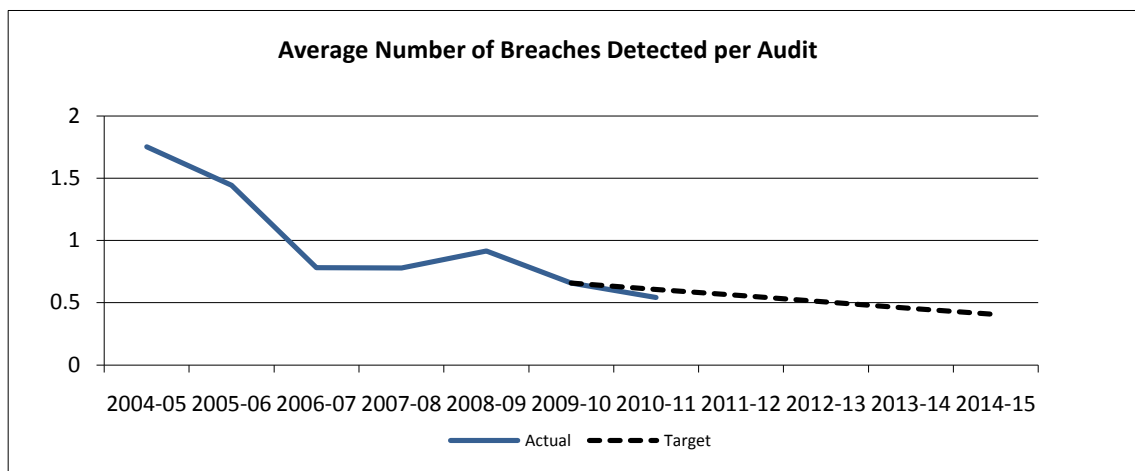
## A.8 STRATEGIC INDICATORS

## 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**

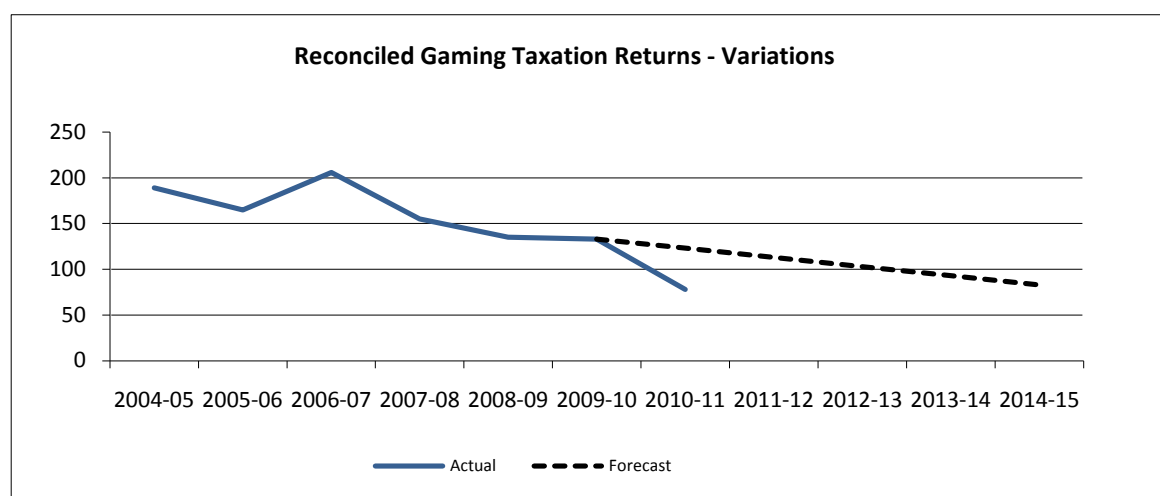
The number of breaches detected per audit decreased for the 2010-11 financial year with the average number detected decreasing from 0.66 in 2009-10 to 0.52 per audit. This result is an improvement on the targeted amount for 2010-11 as a result of the Commission's continuing efforts to educate licensees and their staff.

## 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 2010-11 decreased to 78 (2009-10 recorded 133). This reduction was due to a combination of increased licensee diligence and continued emphasis on the Commission's education program.

## A.9 ANALYSIS OF AGENCY PERFORMANCE

### A.9.1 GAMING REGULATION

#### CASINO REGULATION

The Commission's primary objectives in respect of casino regulation are to ensure that all casino operations are conducted in accordance with the provisions of the *Casino Control Act 2006*, the *Casino Control Regulation 2006* and the *Gambling & 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 surveillance system. The hybrid analog/digital system that was installed in the previous financial year has met expectations in terms of its operation and has provided the casino licensee and the Commission with enhanced CCTV coverage.

During the reporting period the casino completed an upgrade of its Cardax electronic access monitoring and control system and introduced an electronic key safe. The Commission had previously approved these upgrades and monitored the successful transition to the new systems.

A substantial software and hardware upgrade to the approved game of Rapid Roulette was also completed during the reporting period.

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	54
Renewals	80
Variations	30
Cessations	55
<b>Current Casino Employees</b>	
Licensed	190
Unlicensed	64

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 2010-11.

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.

A number of approvals were issued by the Commission in 2010-11.

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 2010-11 the Commission received one application from the casino for an amendment to the rules of a current game. After due consideration of the application, the request for amendment was not approved on the basis that the proposed amendment was not consistent with the harm minimisation principles of the *Gambling and Racing Control (Code of Practice) Regulation 2002*. Additionally, the proposed amendment as submitted did not meet the expected standard of drafting and contained additional changes to the rules that were not identified in the casino licensee's submission.

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 only exemption given to the casino to not operate during the core trading hours in 2010-11 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.

During 2010-11 the casino completed an extensive review and update of its cash desk control procedures. After liaising with the casino licensee these changes were approved by the Commission.

Minor changes were also made to the security, surveillance, general gaming and casino access level procedures to reflect the integration of the upgraded Cardax system and the electronic key safe into casino operations. These changes were also 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 received one written appeal against an exclusion notice. Having considered submissions from the casino and the patron, the Commission amended the casino licensee's exclusion decision and reduced the period of exclusion from 6 months to 3 months.

### ***Compliance Audits of Casino***

The Commission uses a risk based audit methodology to ensure the casino's compliance with the relevant legislation. During the reporting period 100 audits of casino operations were undertaken as were investigations into alleged breaches of the rules and control procedures. In addition, 12 revenue based audits were conducted to ensure the correct payment of taxes within statutory timeframes.

### ***Breaches Detected***

The Commission identified 411 minor breaches of the approved rules and procedures during the reporting period. This compares to 407 minor breaches detected in the previous financial year. The minor breaches for 2010-11 were as follows:

- 393 related to the failure to comply with the approved gaming procedures;
- 5 related to the failure to comply with the approved cash desk procedures; and
- 13 related to exclusion breaches by patrons.

The Commission also identified one minor breach of the *Lotteries Act 1964*.

All minor breaches were resolved satisfactorily.

Five matters involving potential breaches of the legislation, rules or control procedures were the subject of further investigation during the reporting period. As a result of those investigations, a comprehensive review of the casino licensee's internal compliance program activities, compliance procedures and compliance based training was commenced. The review is continuing at the end of the reporting period.

### ***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 2011.

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	58	4,954
Hotels/Taverns	11	70
Total	69	5,024

### ***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 authorised one application to transfer a licence during the reporting period. One club licence was cancelled due to its failure to meet eligibility requirements.

### ***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	436
New and renewed Gaming Machine Technician applications processed	18
Transfers and amendments to Gaming Machine Attendant Certificates	38
Transfers and amendments to Gaming Machine Technician Certificates	2
Cancellation of Attendant or Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by a licensee or supplier	272
Cancellation of Attendant or Technician Certificates as holder is deemed unsuitable	0
Disciplinary Action - Approved Attendants/Technicians	0
Refusal to grant an Attendant or Technician Certificate	3
Refusal to renew an Attendant or Technician Certificate	0
Total current Approved Attendants	755
Total current Approved Technicians	48

### ***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	381
Applications for new types of peripheral equipment from suppliers	42
Number of gaming machines converted on application by licensees	1,160
Number of gaming machines replaced on application by licensees	743
<b>Total value of new (replacement) machines approved</b>	<b>\$13,919,096.28</b>
Applications to operate a linked-jackpot arrangement	29
Applications to operate a multi-user linked-jackpot arrangement	0
Applications to dispose of gaming machines	3
Number of gaming machines that were disposed	60

Contact Officer: Mr James Mullan, telephone 6207 0359

### **Compliance Audits of Gaming Machine Licensees**

During the reporting period a total of 251 audits were undertaken relating to gaming machine venues to identify a licensee's compliance with the *Gaming Machine Act 2004* and the *Gambling and Racing Control (Code of Practice) Regulation 2002* and where applicable the *Lotteries Act 1964*. 62 of these audits related to verification of Community Contributions expenditure claimed by licensees.

### **Breaches Detected**

The Commission identified a total of 195 breaches of the legislation (compared to 230 last year), including 128 breaches of the *Gaming Machine Act 2004*:

- 3 related to executive officers of a club being a creditor of a club which is prohibited by section 14(1)(g);
- 28 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;
- 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;
- 7 related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- 13 related to the failure to display signage indicating the percentage payout as required under section 48;
- 4 related to the failure to comply with the relevant Code of Practice as required by section 50;
- 13 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(g);
- 1 related to the failure to ensure that only members and guests play gaming machines;
- 1 related to the failure to comply with a direction as required by section 57(1)(h);
- 7 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;
- 1 related to aid and abet 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;

- 14 related to the failure to notify the Commission that an Attendant was no longer employed by the licensee as required by section 94(2);
- 3 related to the failure to comply with the sealing of computer cabinets as required under section 123(1);
- 5 related to the unauthorised access of a gaming machine pursuant to section 128;
- 1 related to aid and abet the unauthorised access to a gaming machine pursuant to section 128;
- 4 related to the failure to display an approved gambling warning notice on each gaming machine as required under section 151(2)(a);
- 3 related to the failure to display an approved warning notice at the entrance to the gaming area as required by section 151(2)(b);
- 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;
- 5 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);
- 6 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); 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 of the licensee to have the required information on the gaming machine ticket as required by section 31; and
- 1 related to the failure to display the linked jackpot amount as required by section 45.

There were 48 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* in relation to gaming machine licensees (compared to 49 last year):

- 31 related to the failure to ensure that staff involved in the provision of gambling services had completed an approved training program as required by section 1.4(1)(a);
- 1 related to the failure to advise the Commission of changes to the Gambling Contact Officer as required by section 11;
- 1 related to the failure to ensure that the licensee had written procedures on how people would be excluded from gambling at the facility;
- 2 related to the failure to make information available to patrons as required under section 1.25;
- 2 related to the failure to ensure that the correct time was displayed prominently within the facility;
- 4 related to the failure to provide the name and telephone number of an approved counselling service in gambling advertising as required under section 1.29;
- 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);
- 1 related to the failure to advise where the rules and conditions of a promotion could be found as required by section 1.30(5); and
- 5 related to the failure to make the rules and conditions of a promotion available for inspection at the facility as required by section 1.30(6).

There were also 17 breaches of the *Lotteries Act 1964* detected (compared to 26 last year) during audits of gaming machine venues:

- 5 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
- 10 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. A licensee failed to submit their income and expenditure statement for the financial year 2008/2009 as required by section 158 of the Act. Additionally, the Commission examined the licensee's eligibility to hold a gaming machine licence under section 146(e) of the Act. The licensee failed to comply with a notice to produce information issued pursuant to section 149. This resulted in disciplinary action against the licensee by way of a reprimand with direction and the suspension of the licensee's gaming machine licence for three months or until the Commission was satisfied of the club's eligibility to hold a licence. The licensee did not re-establish its eligibility to hold a gaming machine licence and the Commission took further disciplinary action and cancelled the gaming machine licence.
- Three separate investigations into allegations that persons had accessed gaming machines and made entries in machine access registers while they were not Approved Attendants in contravention of sections 71 and 128 of the *Gaming Machine Act 2004*. Each investigation revealed breaches of sections 71(4) and 128(1) of the Act. These investigations resulted in warnings being issued to four individuals and two licensees and a reprimand with an accompanying direction being issued to one licensee.
- An ongoing investigation into a licensee that failed to indicate the gross gaming machine revenue for the financial year in their audited financial statements and for governance matters that would, if the licensee were applying for a gaming machine licence, cause the licensee to be refused the licence. The matter relating to reporting gross gaming machine revenue has been satisfactorily resolved and the governance issue is ongoing at the time of publication.

### ***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 7 licensees for 17 breaches of the legislation during the reporting period. The following table summarises disciplinary matters.

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
J & H Murphy Investments Pty Ltd t/as The Calwell Tavern	166	failure to lodge Community Contributions report by the due date (July 2010)	\$300 Monetary Penalty
Serbian Cultural Club "St Sava" Incorporated	146(e) 149(3) 158	no longer an eligible club (less than 300 voting members) failure to provide information to Commission (May 2010) failure to submit audited accounts by due date (Jan 2010)	Suspension of gaming machine licence for 3 months (ongoing from last year). Cancellation of gaming machine licence
Woden Tradesmens Union Club	39  71 128	failing to comply with a condition of the licence in respect of section 43: - failure to operate gaming machines and peripheral equipment in accordance with the licensee's rules and procedures unauthorised persons making entries in machine access registers unauthorised persons accessing gaming machines (Oct 2010)	Notice of Reprimand with Direction
J & H Murphy Investments Pty Ltd t/as The Calwell Tavern	158 161 162	failure to submit audited accounts by due date failure to lodge monthly tax return by due date failure to pay monthly tax return by due date (Dec 2010)	Suspension of gaming machine licence for 14 days and Notice of Reprimand with Direction
Schwartz Family Co Pty Ltd trading as Olims Canberra Hotel	161 162	failure to lodge monthly tax return by due date failure to pay monthly tax return by due date (Dec 2010)	Suspension of gaming machine licence for 7 days
Italo Australian Club (ACT) Limited	39  158	failing to comply with a condition of the licence in respect of section 43: - failure to operate gaming machines and peripheral equipment in accordance with the licensee's rules and procedures failure to submit audited accounts by due date (Dec 2010)	Suspension of gaming machine licence for 14 days (appealed to ACAT - decision varied to monetary penalty of \$3,000 and 6 day suspension of gaming machine licence)
Canberra Raiders Sports Club Limited t/as West Belconnen Leagues Club	161	failure to lodge monthly tax return by due date (Jan 2011)	Notice of Reprimand
J & H Murphy Investments Pty Ltd t/as The Calwell Tavern	57(1)(h)	failure to comply with a direction in reprimand (May 2011)	Suspension of gaming machine licence for 28 days
Rokbard Pty Ltd t/as O'Neills Irish Pub	161	failure to lodge monthly tax return by due date (May 2011)	Notice of Reprimand

### ***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 adhere to the licensee's control procedures and for failing to submit audited financial statements for the 2009/2010 financial year by the due date. The Commission resolved to suspend the licensee's gaming machine licence for a period of 14 days.

This matter was considered by ACAT and the Commission's disciplinary decision was amended. ACAT ordered that the disciplinary penalty be amended to a six day suspension of the gaming machine licence and also imposed a monetary penalty of \$3,000.

### ***Gaming Machine Related Complaints***

The Commission received one gaming machine related complaint during the reporting period which was not substantiated.

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 1 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 2009-10 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 seven per cent of net gaming machine revenue in eligible community contributions.

The 2009-10 report records a total of \$13.6 million in club community contributions from \$97.6 million in net gaming machine revenue, the contributions being 13.90 per cent of the net gaming machine revenue. \$9.0 million or 66.57 per cent of contributions was provided to sport and recreation.

In 2008-09 a total of \$13.7 million was contributed to the community from net gaming machine revenue of \$98.6 million, the contributions being 13.86 per cent of the net gaming machine revenue.



### Hotels/Taverns

Hotels and Taverns that are gaming machine licensees must report their community contributions but there is no minimum requirement.

Contributions by these licensees in 2009-10 amounted to a total of \$41,164 of which \$30,890 was allocated to sport and recreation (75.04 per cent of total contributions). In 2008-09 total contributions from Hotels/Taverns was \$61,117.

Contact Officer: Mr James Mullan, telephone 6207 0359.

## **INTERACTIVE GAMING REGULATION**

In 2010-11 there were no interactive gaming service providers licensed in the Territory.

Contact Officer: Mrs Jane Nielson, 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.

Lotto games and Soccer Pools are currently marketed in the Territory by the NSW Lotteries Corporation and by Tattersall's Sweeps Pty Limited.

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. 5,968 permits were issued in 2010-11 (compared to 6,122 last year), as shown in the table below.

Type of Approval	Amount
Trade Promotion Lotteries	5,517
Raffles	434
Housie	9
Other	8
<b>Total</b>	<b>5,968</b>

A further 1,071 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 the appropriate responsibilities under the legislation or approval conditions.

During the reporting period a total of 90 audits were conducted on lottery and pool betting providers inclusive of 17 targeted audits which were conducted for the purpose of educating the lottery operators of legislative requirements including the necessity to obtain a permit and the restrictions on advertising lotteries.

### ***Breaches Detected***

The Commission identified a total of 59 breaches (compared to 79 last year) of the *Lotteries Act 1964*;

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

The Commission's audit program detected 2 breaches (compared to 4 last year) of the *Gambling and Racing Control (Code of Practice) Regulation 2002*:

- both breaches related to the failure to make information available to patrons as required under section 1.25 of the Code of Practice.

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

### ***Lotteries Related Complaints Received***

The Commission received 10 lotteries related complaints during the reporting period. Six complaints were substantiated, three complaints were not substantiated and one was incapable of determination.

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	5
New Race Bookmaker's Agents Licence	0
Renewed Race Bookmaker's Agents Licence	6
Total current Race Bookmaking Licences as at 30 June 2011	18
Total current Race Bookmaker's Agents Licences as at 30 June 2011	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	4
New Sports Bookmaker's Agents Licence	0
Renewed Sports Bookmaker's Agents Licence	0
Total current Sports Bookmaking Licences as at 30 June 2011	4
Total current Sports Bookmaker's Agents Licences as at 30 June 2011	8
Inactive Sports Bookmaking Licences as at 30 June 2011	1

During the year under review, ACT Government-owned wagering provider ACTTAB Ltd was engaged in 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 development of documentation relating to revised harm minimisation and other operational procedures by ACTTAB. The finalisation of ACTTAB's wagering infrastructure replacement program, scheduled for the 2011-12 reporting year, will require further Commission involvement including its approval prior to implementation.

A probity investigation associated with changes to the Board of Directors of ACTTAB Ltd which was commenced in June 2010 was finalised early in the 2010-11 reporting period. No adverse findings in terms of the suitability requirements of the RSBA were revealed in relation to the new director.

A further probity investigation was initiated by the Commission in response to announcements by ACTTAB sports bookmaking services provider, Centrebet Ltd, to the Australian Stock Exchange concerning a proposed takeover of Centrebet by UK based wagering enterprise Sportingbet plc. The investigation had not been concluded at the end of the reporting period, however, it is anticipated that the Commission will finalise the proposed takeover arrangements in the context of ongoing provision of sports bookmaking services to ACTTAB early in the 2011-12 reporting period.

Licensee Sports Alive Pty Ltd notified the Commission in May 2011 of a change to its board of directors as required by subsection 80(1)(c) of the RSBA. However, as the change involved the resignation of one of the directors but no replacement, no probity investigation was required.

Licensee SportOdds Systems Pty Ltd, which ceased sports bookmaking operations in September 2004 when it relocated its sports bookmaking business to the Northern Territory, still holds an ACT licence but remains inactive.

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

### **Racing**

As outlined in the 2009-10 report, following the commencement of amendments to the *Racing Act 1999* relating to the imposition of a race field information charge on 1 March 2010, the Commission was tasked with the collection and distribution of the race field charge and related ancillary functions. Processes established by the Commission to fulfil the new responsibilities and functions associated with the assessment and, where appropriate, approval to licensed wagering operators to use ACT race field information have been successfully bedded down. These processes have also allowed the Commission to establish an approval holder's liability to pay the race field information charge.

Since commencement of the scheme in March 2010, the Commission has received 57 requests for ACT race field information approval. As outlined in the table below, during the reporting period under review, the Commission granted 6 approvals with two previous approvals being surrendered. There are currently no applications pending consideration by the Commission.

Type of Commission Activity	Number
Approvals to use ACT Race Field Information issued to 30 June 2011	6
Total current ACT Race Field Information approvals as at 30 June 2011	53
Approval to use ACT Race Field Information surrendered by applicant	2
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 has established 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 2010 to 30 June 2011 is as follows.

Entity	\$ Amount
Canberra Racing Club	\$1,545,130.84
Canberra Harness Racing Club	\$265,108.62
Canberra Greyhound Racing Club	\$390,357.84
Commission Administration Fee	\$110,000.00
<b>Total</b>	<b>\$2,310,597.30</b>

### **Cross-border Betting Issues**

National bookmaker and TAB wagering markets continue to be characterised by high levels of uncertainty due to the ongoing dispute and related litigation between wagering operators and Australian racing control bodies. At the national level the nature of the dispute revolves around issues associated with the funding of industry and the manner in which race field information charges may be validly imposed.

The decisions by the Federal Court of Australia in June 2010 and the Full Bench of the Federal Court 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 & Harness New South Wales* [2010] FCA 604 and *Betfair Pty Ltd v Racing New South Wales and Harness New South Wales* [2010] FCA 603) have further compounded the level of uncertainty. In March 2011 Betfair and Sportsbet were granted special leave to appeal certain matters relating to the Full Bench of the Federal Court decision to the High Court of Australia. A judgement by the High Court is expected in the latter half of 2011.

At the local ACT level, the Commission notes the report and recommendations of the Investigation into the ACT Racing Industry by the Independent Competition and Regulatory Commission and awaits the Government response to the recommendations.

The Commission continues to closely monitor ACT and national racing industry developments including outcomes of interstate litigation.

Contact Officer: Mr Gavan Desmond, telephone 6207 0359.

### ***Compliance Audits of Racing and Wagering Licensees***

During the reporting period the Commission undertook 53 audits of racing and wagering providers in the ACT to identify compliance with the *Race and Sports Bookmaking Act 2001*, the *Racing Act 1999* and the *Gambling and Racing Control (Code of Practice) Regulation 2002*.

### ***Breaches Detected***

The Commission identified 3 minor breaches (nil last year) of the *Race and Sports Bookmaking Act 2001* which were resolved satisfactorily. The Commission did not identify any breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* in the context of wagering licensees or the *Racing Act 1999*.

### ***Betting Disputes***

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 dealt with two betting disputes. Both of these disputes were resolved in favour of the Sports Bookmaker.

### ***Sports Bookmaker Complaints***

The Commission did not receive any complaints in relation to Sports Bookmakers during the reporting period.

### ***Race Bookmaker Complaints***

One complaint was received in relation to alleged unauthorised race bookmaking. This complaint was not substantiated.

### ***ACTTAB Related Complaints***

The Commission did not receive any complaints during the reporting period relating to ACTTAB.

## **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* (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	1	0	1	0	0	0
Lotteries	10	6	3	0	1	0
Racing and Wagering	1	0	1	0	0	0
Unlawful Games	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>6</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>

A decision by the Commission not to investigate a patron complaint regarding a gaming machine related incident at a licensed club was referred by the patron to the Australian Capital Territory Ombudsman. The Commission's decision not to investigate the matter was upheld by the Ombudsman as the complaint did not relate to a breach of a gaming law as required by Section 31(1) of the *Gambling and Racing Control Act 1999*.

There were no ongoing or outstanding complaints at the end of the 2010-11 reporting period.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

### A.9.2 LEGISLATIVE REVIEWS

During the reporting period the Commission progressed or finalised reviews associated with the following legislation.

#### ***Gaming Machine Act 2004***

On 2 March 2010 the Minister for Gaming and Racing requested that the Commission review the provisions in the *Gaming Machine Act 2004* relating to the governance of clubs. The Commission undertook the review's second and final period of public consultation in August/September 2010 during which stakeholders and community members were invited to provide submissions in response to a draft Final Report which included draft recommendations. The submissions received by the Commission were considered in the development of the Final Report. The Government accepted all of the report's recommendations and the report was tabled in the Legislative Assembly on 5 May 2011.

#### ***Race & Sports Bookmaking Act 2001***

The Commission's review of the *Race and Sports Bookmaking Act 2001* has been on hold pending the Government's consideration of the outcomes of an external review relating to the future arrangements for the operation of the racing industry.

#### ***Lotteries Act 1964 & Pool Betting Act 1964***

The Commission completed its review of these Acts during 2005. The Commission's Policy Paper and associated recommendations are on hold pending the outcomes of a national working party in the regulation of lottery activities.

### 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 drafted following the finalisation of the review into the governance provisions of the *Gaming Machine Act 2004*. The Legislative Assembly passed the Bill on 28 June 2011 with the majority of provisions commencing on 1 July 2011. However, a number of provisions concerning reporting requirements and club constitutions will not commence until 1 July 2012 to allow licensees time to adjust to the new requirements. A summary of the amendments is available on the Commission's website.

Contact Officer: Mrs Jane Nielson, 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**

In November 2010 the Centre finalised its report on *the 2009 Survey of The Nature and Extent of Gambling, and Problem Gambling, in the Australian Capital Territory*. The report was publicly released by the Minister for Gaming and Racing on 26 November 2010.

The Centre commenced two research projects during the reporting period one of which was finalised. Both projects focus on further analysis or explanation of data obtained in the prevalence survey:

- *The Distribution of Gambling and Gambling-Related Harm Across the ACT Adult Population* report (finalised in June 2011); and
- *The Availability, Accessibility and Suitability of Problem Gambling Services in the ACT* (due to be finalised in late 2011).

### **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 seven reports during 2010-2011:

- Correlates of Reported Gambling Problems in the CALD Population of Australia;
- Gambling and the Impact of New and Emerging Technologies and Associated Products;
- Factors that influence gambler adherence to pre-commitment decisions;
- Representations of Gambling in English and non-English Speaking Australian Media;
- The Influence of Venue Characteristics on a Player's decision to attend a Gambling Venue;
- Children at Risk of Developing Problem Gambling; and
- Exploring Indigenous Gambling: understanding Indigenous gambling behaviour, consequences, risk factors and potential interventions.

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

- Gamblers at risk and their help seeking behaviour; and
- Gambling and co-morbid disorders.

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

Contact Officer: Mrs Jane Nielson, 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 yearly to discuss issues of mutual interest. One meeting is generally held in conjunction with the Australasian Casino and Gaming Regulators' Conference which brings together Commissioners and senior executives from regulatory agencies and their governing boards. During the reporting period CEOs met in Melbourne during December 2010 and Hobart in March 2011. The Commission's Chief Executive Officer attended these meetings.

#### ***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 such 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 - Working Party***

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 three 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](http://www.fahcsia.gov.au/sa/gamblingdrugs/progserv/problemgambling/Pages/coag_gambling_reform.aspx).

The Commission and ACT Treasury supported the Minister for Gaming and Racing in the activities associated with the Select Council. The Select Council met three times in the reporting period and at the most recent meeting on 27 May 2011 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 in early 2012; and
- continue to work together on the issue of ATM withdrawals.

The Commission was represented on the Senior Officials Working Group and the Policy Working Group participating in 4 teleconferences and 4 meetings.

A copy of the May 2011 Select Council on Gambling Reform communiqué is available via the Australian Government's Department of Families, Housing, Community Services and Indigenous Affairs' website [http://www.fahcsia.gov.au/sa/gamblingdrugs/progserv/problemgambling/Pages/coag\\_gambling\\_reform.aspx](http://www.fahcsia.gov.au/sa/gamblingdrugs/progserv/problemgambling/Pages/coag_gambling_reform.aspx).

***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 three occasions.

***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 commenced the development of National Guidelines to assist applicants in identifying areas of compliance that are common to all jurisdictions.

## A.9.5 EDUCATION PREVENTION & SUPPORT

### EDUCATION & 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**

In May 2011, the Commission again actively participated in Responsible Gambling Awareness Week (RGAW). 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. It targets those persons that do gamble and emphasises that this should be undertaken in a responsible manner with the person remaining in control of their activity.

As part of its contribution to RGAW the Commission again screened its television advertisements which were developed in 2009. The advertisements convey messages about remaining in control of your gambling and provide practical tips and techniques for controlling gambling. The advertisements complement the 'self help' brochures, wallet sized information cards and responsible gambling website launched in previous years. These initiatives, developed in conjunction with Lifeline Canberra, were aimed at filling an information gap by targeting those people that are not inclined to seek outside help or counselling. These initiatives provide information and assistance to these persons so that they can apply the suggested measures and techniques of restraint themselves. The information also provides assistance and advice for friends and family of problem gamblers.

The Commission also placed advertising within a supplement to *The Canberra Times* to promote and highlight RGAW. The supplement was released during the RGAW to reactivate interest and publicity about the aims of the awareness week.

### **Australian Online Gambling Counselling and Support Program**

The Australian Online Gambling Counselling and Support Program was formally launched on 8 October 2009. The service – *gamblinghelponline.org.au* – operates 24 hours a day, seven days a week without charge to customers and means 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 received 47,333 unique visitors and delivered 1,491 counselling sessions. There were 789 visitors from the ACT during the reporting period, representing the second highest per capita usage of the site.

This service is a world first and is funded by all jurisdictions under a Memorandum of Understanding which will be in force until 30 June 2012. 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 193 calls from the ACT over the period July 2010 - June 2011. The Commission has been incorporating the 1800 number into its published materials 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.

### **New Gambling Counselling and Support Service**

During the reporting period a public tender process was undertaken for problem gambling support services. The service is to be funded by the Problem Gambling Assistance Fund which raises funds from a 0.6 per cent levy on Gross Gaming Revenue and contributions on a voluntary basis from ACTTAB and Casino Canberra Limited. The fund is expected to raise over \$1 million per year.

Mission Australia won the tender to provide the ACT's new Gambling Counselling and Support Service which commenced on 1 July 2011. Mission Australia is a large national organisation that has been operating in Australia for over 150 years. The organisation provides gambling counselling services at 13 sites in NSW and is highly qualified to deliver similar services in the ACT.

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

## **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's Department 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 2010-11 with 2009-10 included for comparison. The table gives the percentage change in the 2010-11 result relative to the 2009-10 result.

	INDICATOR	2009-10 Result	2010-11 Result	% Change
ECONOMIC	Employee Expenses			
	▪ Number of staff employed (head count)	▪ 28	▪ 32	▪ 14.3
	▪ Total employee expenditure (dollars)	▪ 2.329m	▪ 2.388m	▪ 2.5
	Operating Statement <sup>①</sup>			
	▪ Total expenditure (dollars)	▪ 3.481m	▪ 3.609m	▪ 3.7
	▪ Total own source revenue (dollars)	▪ 0.243m	▪ 0.333m	▪ 37.0
	▪ Total net cost of services (dollars)	▪ (3.23m)	▪ (3.28m)	▪ 1.5
	Economic Viability			
	▪ Total assets (dollars)	▪ 9.883m	▪ 7.602m	▪ (23.1)
	▪ Total liabilities (dollars)	▪ 4.856m	▪ 5.285m	▪ 8.8
ENVIRONMENTAL	Transport			
	▪ Total number of fleet vehicles	▪ 2	▪ 2	▪ 0
	▪ Total transport fuel used (kilolitres)	▪ 0.712	▪ 0.820	▪ 15.2
	▪ Total direct greenhouse emissions of fleet (tonnes of CO <sub>2</sub> e)	▪ 1.76	▪ 2.03	▪ 15.3
	Energy Use <sup>②</sup>			
	▪ Total office energy use (megajoules)	▪ 205143	▪ 157118	▪ (23.4)
	▪ Office energy use per FTE (megajoules/FTE)	▪ 7598	▪ 5392	▪ (29.0)
	▪ Office energy use per square metre (megajoules/m <sup>2</sup> )	▪ 386	▪ 296	▪ (23.3)
	Greenhouse Emissions <sup>②</sup>			
	▪ Total office greenhouse emissions - direct & indirect (tonnes of CO <sub>2</sub> e)	▪ 39.72	▪ 7.79	▪ (80.4)
	▪ Total office greenhouse emissions per FTE (tonnes of CO <sub>2</sub> e/FTE)	▪ 1.47	▪ 0.27	▪ (81.6)
	▪ Total office greenhouse emissions per square metre (tonnes of CO <sub>2</sub> e/m <sup>2</sup> )	▪ .07	▪ 0.01	▪ (85.7)
	Water Consumption			
	▪ Total water use (kilolitres)	▪ 483	▪ 272	▪ (43.7)
	▪ Office water use per FTE (kilolitres/FTE)	▪ 17.89	▪ 9.33	▪ (47.8)
	▪ Office water use per square metre(kilolitres/m <sup>2</sup> )	▪ 0.91	▪ 0.51	▪ (43.9)
	Resource Efficiency and Waste			
	▪ Estimate of co-mingled office waste per FTE (litres)	▪ 1035	▪ 871	▪ (15.8)
	▪ Estimate of paper recycled (litres)	▪ 10586	▪ 11983	▪ 13.2
	▪ Estimate of paper used (by reams) per FTE	▪ 18.1	▪ 14.4	▪ (20.4)
SOCIAL	The Diversity of Our Workforce			
	▪ Women (Female FTEs as % of total workforce)	▪ 42.9	▪ 41	▪ (4.4)
	▪ People with a disability (as % of total workforce)	▪ 0	▪ 0	▪ 0
	▪ Aboriginal and Torres Strait Islander people (as % of total workforce)	▪ 0	▪ 0	▪ 0
	▪ Staff with English as second language (as % of total workforce)	▪ 0	▪ 0	▪ 0
	Staff Health and Wellbeing			
	▪ OH&S Incident Reports	▪ 1	▪ 0	▪ (100)
	▪ Accepted claims for compensation (as at 31/8/2011)	▪ 0	▪ 0	▪ 0
	▪ Staff receiving influenza vaccinations	▪ 21	▪ 14	▪ (33.3)
	▪ Workstation assessments requested	▪ 5	▪ 9	▪ 80

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

② Due to a change in calculation methodology in 2010-11 the 2009-10 figure has been amended to enable a direct comparison.

## 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 Samara Rahman - 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;
- Ms Carol Skafte-Zauss - Mission Australia; and
- Mr Nic Manikis - Office of Multicultural, Aboriginal & Torres Strait Islander Affairs.

## B.1.2 COMMUNITY CONSULTATION

### ACT Gambling and Racing Commission Community Consultation

No.	Project Title	Project Description	Consultation Objectives	Methods for Informing & Consulting Community	Consultation Starting & Closing Date	No. of Submissions or Participants	Feedback Methods to Consultation Participants
1.	<b>Gambling Advisory Reference Group</b>	As recommended by the Needs Analysis Survey Report, the Advisory Reference Group was formed to assist the Commission in developing & implementing targeted strategies to address problem gambling in the ACT.	To provide objective outcomes and advice to the Commission on behalf of peak ACT community services organisations on issues related to problem gambling.	Key stakeholders from a broad cross section of organisations in the ACT are represented on the reference group.	October 2001 to present (ongoing).	9 participants.	Formal meetings held each year and discussions with key stakeholders.
2.	<b>Review of the Governance Provisions of the <i>Gaming Machine Act 2004</i></b>	As requested by the Minister for Gaming and Racing, the Commission completed a review of the Governance Provisions of the <i>Gaming Machine Act 2004</i> .	To seek industry and community perspectives on club governance and the proposed changes. Submissions received were taken into consideration when the Commission developed its recommendations.	The Commission: <ul style="list-style-type: none"> <li>- advertised the review and consultation periods in <i>The Canberra Times</i>, on the Commission's website and on the ACT Community Noticeboard;</li> <li>- conducted mail outs to advise key industry and community stakeholders of the consultation periods; and</li> <li>- participated in an industry facilitated seminar during the review.</li> </ul>	Period 1: 1/5/2010 to 11/6/2010.  Period 2: 27/8/2010 to 24/9/2010.	10 submissions were received during period 1. 2 submissions were received during period 2.	The Commission acknowledged each submission in writing and the Commission's website was updated to reflect the current status of the review. The review was completed during the reporting period and the final report was tabled in the Legislative Assembly by the Minister for Gaming and Racing on 5 May 2011. Government accepted all of the report's recommendations. The <i>Gaming Machine (Club Governance) Amendment Act 2011</i> passed through the Legislative Assembly on 28 June 2011. All Gaming Machine Licensees were subsequently informed of the changes and an industry seminar is planned for July 2011.

## B.2 INTERNAL & 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. For details of internal audits conducted during this reporting period refer to Section C.1 Risk Management and Internal Audit.

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 not subject to formal external scrutiny in relation to judicial review or by the ACT Ombudsman.

One matter was referred to the ACAT for review during the reporting period which is 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 2010-11 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 & 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	16	Annual and Financial Reports 2009-2010	April 2011

The Annual and Financial Reports 2009-2010 can be viewed via the following link:

<http://www.parliament.act.gov.au/committees/index1.asp?committee=116>

Legislative Committee	Report No	Title	Date Presented
Select Committee on Estimates 2011-2012	1	Appropriation Bill 2011-2012	June 2011

The Appropriation Bill 2011-2012 can be viewed via the following link:

<http://www.parliament.act.gov.au/committees/index1.asp?committee=169&inquiry=1000&category=19>

Legislative Committee	Report No	Title	Date Presented
Select Committee on Estimates 2010-2011	1	Appropriation Bill 2010-2011	June 2010
Recommendation	Government Response		Directorate Implementation
<b>Recommendation 47</b> The Committee recommends that, when finalised, the Minister for Gaming and Racing, table in the ACT Legislative Assembly, the ACT Gambling and Racing Commission's report of the Review of the Governance Provisions in the <i>Gaming Machine Act 2004</i> .	Noted The Government will consider tabling of the Commission's report of the Review of the Governance Provisions in the <i>Gaming Machine Act 2004</i> once it has been received and considered by the Government.		The Minister for Gaming and Racing tabled the report on 5 May 2011 in the Legislative Assembly.

#### 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 & POLICY BASED REPORTING

### C.1 RISK MANAGEMENT & 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 4360:2004*. 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 operational and financial risk. The role of the Commission's internal audit committee is provided by the Commission Board. Internal audit services are provided by private accounting firms. There was no internal audit 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's Business Continuity Plan describes arrangements that the Commission will use to provide continuity of its key services following a major disruptive incident. It is a role based approach that documents the management structure, staffing, team roles and responsibilities and actions for implementation after a major incident. The Plan has been reviewed to ensure its currency during the reporting period.

### C.2 FRAUD PREVENTION

The ACT Integrity Policy addresses fraud and corruption prevention at a whole of Government level. The policy requires the Commission to undertake an integrity risk assessment and prepare a Fraud and Corruption Prevention Plan 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 cases of alleged fraud 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. An Agency leaflet is available which provides information on making a Public Interest Disclosure. The leaflet includes the following summary information on:

- 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, the categories of documents available and facilities available for access to documents.

#### *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;
- 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](mailto: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 no requests received by the Commission under section 18 of the FOI Act, during the reporting period.

**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
-	-	-	-	-	-	-

**Access decisions**

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

**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	Association/ Organisation	Politician	Company
-	-	-	-	-

**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 16 May 2011 were approved by the Minister for Gaming and Racing. Appointments from 17 May 2011 are approved by the Minister for Economic Development. 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 Doherty 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 2010 to June 2011.

***ACT Gambling and Racing Commission Members' Attendance at Meetings - July 2010 to June 2011***

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

There was no meeting held in January 2011.

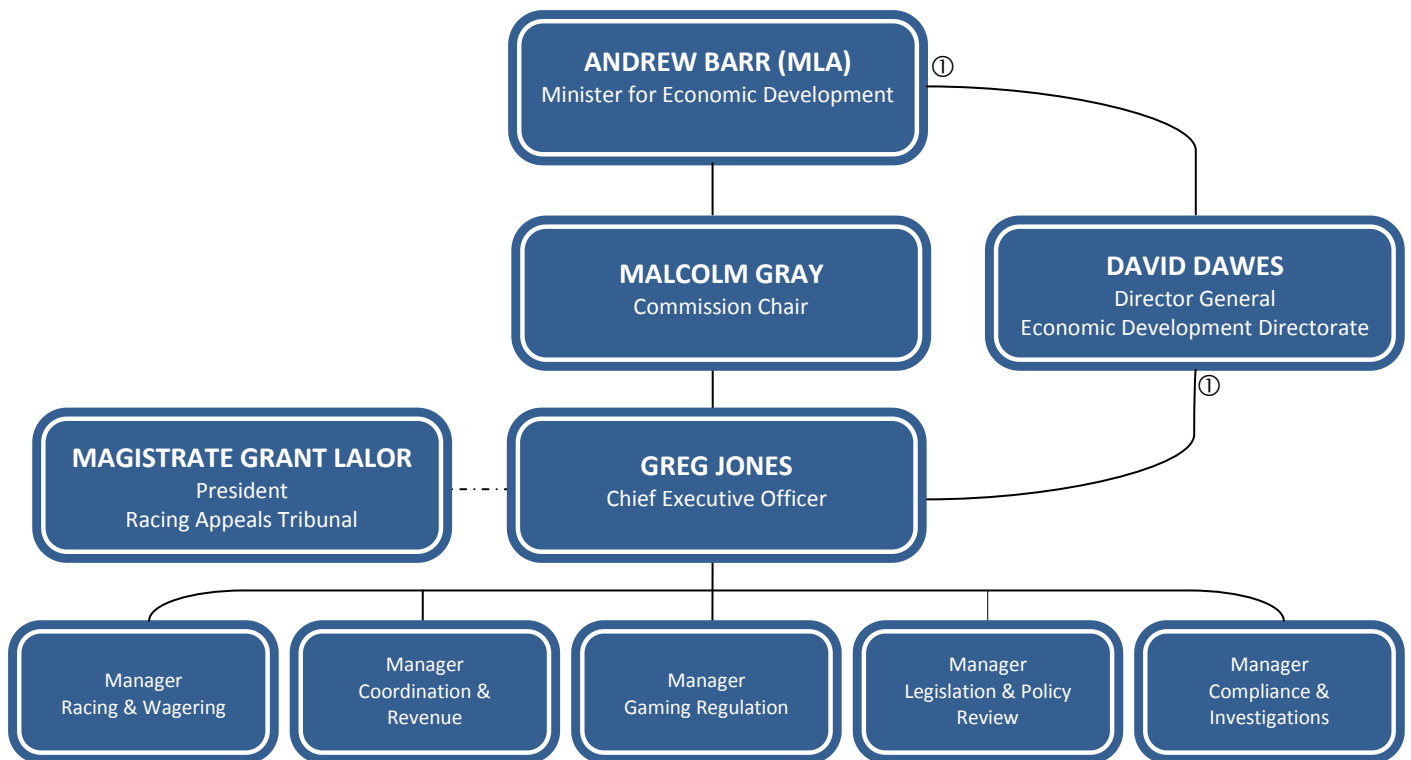
The ACT Remuneration Tribunal, in accordance with the *Remuneration Tribunal Act 1995*, determines the remuneration of the executive and non-executive Commission members.

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
Mr Malcolm Gray  Chairperson  (Appointed from 18 December 2009 for a period of three years)	BA, MA	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).
Mr Mark Rolfe  Deputy Chairperson & Member  (Appointed from 18 September 2008 for a period of three years)	Certificate IV in Assessment and Workplace Training	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.
Ms Joan Perry  Member  (Appointed 10 February 2009 for a period of three years)	BBA	Ms Perry has held several board and committee positions and has had a long and influential association with the sporting industry in the ACT. Ms Perry's current position is Chief Executive Officer of Volleyball Australia - the peak body for the administration of the game of volleyball in Australia.
Dr Mark Doverty  Member  (Appointed from 12 September 2008 for a period of three years)	Ph.D, M.Sc., MBA, B.Sc., BA, Grad Dip Marketing, Grad Dip Counselling	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.
Mr Greg Jones  Chief Executive Officer  Member  (Appointed CEO on 1 November 2010 for a period of five years)	BA (Hons)	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.

The Commission's operational structure (effective from 17 May 2011) is identified in the following Organisation Chart.



① Prior to 17 May 2011 the Commission reported to the Minister for Gaming and Racing through the Under Treasurer, ACT Department of Treasury.

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 oversighted 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 & Headcount		
	Female	Male
FTE by Gender	10.14	19
Headcount by Gender	13	19
% of Workforce	41%	59%

Classifications			
Classification Group	Female	Male	Total
Executive Officers	0	1	1
Senior Officers	2	8	10
Administrative Officers	11	10	21
<b>Total</b>	<b>13</b>	<b>19</b>	<b>32</b>



Employment Category by Gender			
Employment Category	Female	Male	Total
Casual	0	0	0
Permanent Full Time	6	17	23
Permanent Part Time	5	0	5
Temporary Full Time	1	2	3
Temporary Part Time	1	0	1
<b>Total</b>	<b>13</b>	<b>19</b>	<b>32</b>

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	3	1	0	2	2	3	5
2 to 4 years	0	0	0	0	0	1	1	2	1	3
4 to 6 years	0	0	1	0	1	0	0	1	2	1
6 to 8 years	0	0	3	0	1	2	0	0	4	2
8 to 10 years	0	0	0	1	2	1	1	0	3	2
10 to 12 years	0	0	0	2	0	0	0	0	0	2
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	9.0
<b>Total</b>	<b>7.6</b>

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

Agency Profile	
FTE	Headcount
29.14	32

Agency Profile by Employment Type		
Permanent	Temporary	Casual
28	4	0

Equity and Diversity				
	Indigenous %	CALD %	Disability %	Women %
Headcount	0	0	0	13
% Total of Staff	0	0	0	41

## C.8 LEARNING & DEVELOPMENT

The Commission has continued to make learning and development a key priority during 2010-11. A summary of courses attended by Commission staff is outlined in the following table.

Learning & Development Initiative	Number of participants
Administrative Law Seminar	1
Certificate IV Government Investigations	2
First Aid Course	2
Health & Wellbeing Seminars	10
Health and Safety Briefing Session	22
Induction for new staff members	4
Introduction to Freedom of Information (FOI)	1
Microsoft Excel Intermediate	2
Microsoft Word Intermediate	2
Work Safety Representative Training	2
Policy Development Seminar	2
Recruitment & Job Interview Skills	2
Respect, Equity & Diversity Contact Officer Training	1
Workplace Bullying & Awareness	2
Writing for Government	1

The Commission continues to provide support and study assistance for staff who are interested in furthering their qualifications. During the reporting period one staff member received study assistance in relation to a Bachelor of Criminology and Criminal Justice qualification.

The 2010-11 ACTPS Training Calendar was also utilised as part of the Commission's training and development scheme with 7 staff members attending ACTPS courses at a cost of \$2,583.

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 & 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 Safety Act 2008* (WS 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 did not receive any notices of non compliance under section 171 or any notices issued under sections 167 or 170 of the WS Act. No report under section 166 was required in relation to a failure to comply with a compliance agreement, enforceable undertaking, improvement notice or prohibition notice during the reporting period. No improvement notices or prohibition notices were received. During the reporting period there were no serious events notified as required by section 38 of the WS 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. All management and supervisory staff have attended a presentation by the Work Safety Commissioner on the WS Act.

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.

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

- 20 minute one-on-one health check and assessment on current health status;
- breast, cervical and prostate cancer information sessions;
- continued provision of a carer/nursing mothers room and staff room;
- employee assistance program;

- exercise classes, yoga and pilates;
- eyesight testing;
- first aid lifeskills session;
- flexible working arrangements;
- flu vaccination program;
- physiotherapy program;
- psychological intervention program;
- seated massages;
- wellbeing seminar aimed at increasing the awareness of workplace psychological and emotional health issues amongst staff;
- work/life balance information session;
- workplace bullying (staff); and
- workplace bullying prevention and management (for managers/supervisors).

## C.10 WORKPLACE RELATIONS

Commission staff are employed under the *Public Sector Management Act 1994* and are covered by the Department of Treasury Certified Agreement 2007-10.

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 2010	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 2010	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 2010	2 <sup>1</sup>	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 2010
Individual and Group SEAs	N/A	N/A
AWAs (includes AWAs ceased during period)	SOGB - SOGA	\$117,629 - \$121,316

## C.11 STRATEGIC BUSHFIRE MANAGEMENT STRATEGY

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.12 STRATEGIC ASSET MANAGEMENT

The only assets managed by the ACT Gambling and Racing Commission are its:

- furniture and fittings;
- motor vehicles; and
- Information Technology (IT) equipment, leased from InTACT.

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 InTACT; and
- comprehensive insurance with the ACT Insurance Authority.

Commission managed assets were valued at approximately \$535,000 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 531m<sup>2</sup>. This space accommodates 33 employees which equates to 16.1m<sup>2</sup> per person.

## C.13 CAPITAL WORKS

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

## C.14 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 \$20,000 have been reviewed by ACT Procurement Solutions, 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
<b>Gaming Machine Database Solution</b>	Development and support of a new gaming machine database	\$262,430	Open tender	N/A	April 2010
<b>Problem Gambling Support Service</b>	To engage a suitably qualified and experienced organisation to provide problem gambling support services to the ACT community	nil	Open tender	N/A	June 2011
<b>Research into Gambling</b>	Gambling and Problem Gambling Research Projects	\$93,482	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.15 COMMUNITY GRANTS/ASSISTANCE/SPONSORSHIP

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

## C.16 TERRITORY RECORDS

The *Territory Records Act 2002* requires each agency to have an approved Records Management Program. The Commission's 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](http://www.legislation.act.gov.au).

The Commission has continued with its Records Management Program during the reporting period noting possible amendments and enhancements for the future. It can effectively provide evidence of decisions, authorisations and activities; demonstrate that accountability requirements have been met; and support business activities through proper storage and retrievability of useable and reliable records.

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.

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.

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.17 HUMAN RIGHTS

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.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 ACT MULTICULTURAL STRATEGY

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.20 ABORIGINAL & 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 the previous section the Commission ensures that appropriate areas of expertise are engaged to maximise liaison with indigenous clients in relation to problem gambling issues.



## C.21 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. Below figures were provided by the Chief Minister's Department, Corporate Services Branch and are based on the Commission's net lettable office area.

	Indicator as at 30 June	Unit	2009-2010		2010-2011	
Line	General		Office	Total	Office	Total
L1	Occupancy - office staff full-time equivalent	Number (FTE)	27	27	29.14	29.14
L2	Area office space - net lettable area	Square metres (m <sup>2</sup> )	531	531	531	531
	<b>Stationary Energy</b>		<b>Office①</b>	<b>Total②</b>	<b>Office①</b>	<b>Total②</b>
L3	Electricity use	Kilowatt hours	56984	98460	43644	78647
L4	Renewable energy use (GreenPower + EDL land fill gases)	Kilowatt hours	18438	18438	36355	36355
L5	Percentage of renewable energy used (L4/L3 x 100)	Percentage	32.36	18.73	83	46
L6	Natural Gas use	Megajoules	0	141980	0	120491
L7*	Total energy use	Megajoules	205143⑤	496437	157118	403621
L8	Energy intensity per FTE (L7/L1)	Megajoules/FTE	7598⑤	18387	5392	13851
L9	Energy intensity per square metre (L7/L2)	Megajoules/m <sup>2</sup>	386⑤	934	296	760
	<b>Transport Energy</b>		<b>Office</b>	<b>Total</b>	<b>Office</b>	<b>Total</b>
L10	Total number of vehicles	Numeric	2	2	2	2
L11	Total vehicle kilometres travelled	Kilometres	8598	8598	9735	9735
L12	Transport fuel (Petrol)	Kilolitres	0.712	0.712	0.820	0.820
L16*	Total transport energy use	Gigajoules	24.35	24.35	28.04	28.04
	<b>Water</b>		<b>Office</b>	<b>Total</b>	<b>Office</b>	<b>Total</b>
L17	Water use	Kilolitres	0	483③	0	272
	<b>Intensities</b>					
L18	Water use per office FTE (L17/L1)	Kilolitres/FTE	0	17.89	0	9.33
L19	Water use per square metre (L17/L2)	Kilolitres/m <sup>2</sup>	0	0.91	0	0.51
	<b>Resource Efficiency and Waste</b>		<b>Office</b>	<b>Total</b>	<b>Office</b>	<b>Total</b>
L20	Reams of paper purchased	Reams	489	489	421	421
L21	Recycled content of paper purchased	Percentage	50	50	50	50
L22	Estimate of general waste **	Litres	27950	27950	25386	25386
L23④	Estimate of comingled material recycled **	Litres	6211	6211	4223	4223
L24	Estimate of paper recycled **	Litres	10586	10586	11983	11983
L25④	Estimate of organic material recycled **	Litres	n/a	n/a	3301	3301
	<b>Greenhouse Gas Emissions</b>		<b>Office</b>	<b>Total</b>	<b>Office</b>	<b>Total</b>
L26*	Total stationary energy greenhouse gas emissions (All Scopes)	Tonnes CO <sub>2</sub> -e	39.72⑤	92.62	7.79	53.11
L27*	Total transport greenhouse gas emissions (All Scopes)	Tonnes CO <sub>2</sub> -e	1.76	1.76	2.03	2.03
	<b>Intensities</b>					
L28	Greenhouse gas emissions per person (L26/L1)	Tonnes CO <sub>2</sub> -e FTE	1.47⑤	3.43	0.27	1.82
L29	Greenhouse gas emissions per square metre (L26/L2)	Tonnes CO <sub>2</sub> -e	0.07⑤	0.17	0.01	0.10
L30	Transport greenhouse gas emissions per person (L27/L1)	Tonnes CO <sub>2</sub> -e FTE	0.07	0.07	0.07	0.07

\* = calculated with information entered into OSCAR

\*\* = based on bins collected

n/a = not available

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 Estimate only no readings taken by ACTEWAGL for the 2009-10 financial year.

④ This annual report splits comingled recycling (L23) and organic recycling (L25) whereas last year these figures were combined.

⑤ Due to a change in calculation methodology in 2010-11 the 2009-10 figure has been amended to enable a direct comparison.

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;
- audits of waste, recycling, energy and water use through the ANU GreenSteps Environmental Training Program;
- 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:

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

## C.22 ACT WOMEN'S PLAN

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 its female 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.23 MODEL LITIGANT GUIDELINES

The *Law Officer Act 1992*, section 5AA, 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 5AC of the *Law Officer Act 1992*, agencies must report on measures to ensure compliance with the model litigant guidelines. Agencies must also report on any breaches of the guidelines. A summary of each agency's report under section 5AC must be provided to the Chief Executive of the Department of Justice and Community Safety within 21 days after the end of the financial year.

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.24 ACT STRATEGIC PLAN FOR POSITIVE AGEING 2010-2015

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
- Work & Retirement

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

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***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.

## APPENDICES

### ANNUAL REPORT OF THE RACING APPEALS TRIBUNAL

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#### FUNCTIONS

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

##### **Contact**

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

##### **Members**

The members of the Tribunal for 2010-11 were:

Magistrate Grant Lalor (President)  
Mr Robert Cook (Deputy President) (resigned 21 October 2010)  
Mr Phillip Drever  
Mr Ted Quinlan  
Ms Thena Kyprianou

On 27 November 2009 the appointment of Mr Darryl Hart, assessor to the Tribunal expired. At the end of the reporting period no new assessor had been appointed to the Tribunal.

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#### 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 Alan Tutt and The Canberra Greyhound Racing Club Incorporated.*

## MATTERS HEARD BY THE TRIBUNAL

### Mention - 21 March 2011

### **MR ALAN TUTT and THE CANBERRA GREYHOUND RACING CLUB INC**

Tribunal Members:

His Honour Magistrate Grant Lalor (President)  
Mr Ted Quinlan (Member)  
Ms Thena Kyprianou (Member)

### Hearing - 7 April 2011

### **MR ALAN TUTT and THE CANBERRA GREYHOUND RACING CLUB INC**

Tribunal Members:

His Honour Magistrate Grant Lalor (President)  
Mr Ted Quinlan (Member)  
Ms Thena Kyprianou (Member)

### ***Order of the Tribunal***

The Tribunal by majority decision overturned the decision of the stewards that found Mr Tutt guilty of an offence under GAR rule 86(o) which states:

#### ***R86 Offences***

*A person (including an official) shall be guilty of an offence if the person:*

*(o) has, in relation to a greyhound or greyhound racing, done a thing, or omitted to do a thing, which, in the opinion of the Stewards or the Controlling Body, as the case may be, is negligent, dishonest, corrupt, fraudulent or improper, or constitutes misconduct;*

and further ordered that the Bond of \$500 be returned to Mr Tutt.

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## GLOSSARY OF ABBREVIATIONS, ACRONYMS &amp; 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