



ACT GAMBLING AND RACING COMMISSION

ANNUAL REPORT
2009–2010



Annual Report 2009-2010



ISBN-13: 978 0 642 60530 6

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Produced by Publishing Services for the ACT Gambling and Racing Commission

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

Printed on recycled paper

Publication No 10/0984

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

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Minister for Gaming and Racing
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Minister

We have pleasure in submitting to you the ACT Gambling and Racing Commission's Annual Report for the financial year ended 30 June 2010.

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 2009 to 30 June 2010 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

Malcolm Gray
Chairperson
15 September 2010

Greg Jones
Chief Executive Officer
15 September 2010



Contact Details

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

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

The membership at 30 June 2010 was:

<i>Chairperson:</i>	Mr Malcolm Gray
<i>Members:</i>	Mr Mark Rolfe (Deputy Chairperson) Dr Mark Doherty Ms Joan Perry
<i>Chief Executive Officer:</i>	Mr Greg Jones

A.1.2 Functions and Powers of the Commission

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

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

- a) to administer the gaming laws;
- b) to control, supervise and regulate gaming in the Territory; and
- c) to perform functions and exercise powers given to the Commission by this or any other Act.

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 persons in relation to gaming and racing, for the purpose of performing functions or exercising powers 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. One Ministerial Direction was issued to the Commission during 2009-2010 (see section A.9.1 of this report).

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 and Objectives of the Commission

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

The Commission's values are:

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

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

- To minimise the possibility of criminal or unethical activity in order to satisfy key stakeholders' expectations in relation to the regulation and oversight of gaming and wagering operations in the Territory.
- To minimise the negative impact caused by problem gambling.
- To keep informed about developments in gaming and wagering activities and regulatory practices, including emerging technologies.
- To keep informed about developments in gambling harm minimisation strategies and research conducted into problem gambling.
- To ensure that members of the community are provided with information to enable them to make informed decisions about their gambling.
- 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 2009-10 as outlined in its Statement of Performance (see section A.7 of this report). It also achieved its financial targets for 2009-10 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 \$1,174,425 which was \$927,425 better than budget.

In undertaking its functions and providing advice to the Minister and Government, the Commission liaises with a wide range of other Government agencies, particularly the ACT Department of Treasury, as well as Commonwealth and interstate regulatory organisations. This consultation ensures that the Commission remains fully informed in order to provide the Minister and Government with comprehensive information 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 October 2009 the Treasurer as the then Minister responsible for Gaming and Racing requested the Commission to provide updated advice in relation to the maximum number of gaming machines permitted in the Territory. This request, pursuant to section 36 of the *Gaming Machine Act 2004*, sought an update of the information provided in the Commission's September 2007 report in relation to this matter. The Commission forwarded its updated report to the Minister for Gaming and Racing in early February 2010 for consideration. In this context, the Commission has also provided advice as requested to ACT Treasury in relation to the development of a proposed gaming machine reallocation scheme.

The *Unlawful Gambling Act 2009* was passed by the ACT Legislative Assembly without amendment in November 2009 and commenced operation on 22 March 2010. The development of the *Unlawful Gambling Act 2009* followed a recent review of the *Unlawful Games Act 1984* where the main issues covered included the conduct of gaming tournaments outside the casino (such as for poker), gaming for fundraising purposes for charitable organisations and the conduct of private or home-based games.

At the request of the Treasurer as the then Minister responsible for Gaming and Racing, the Commission undertook an investigation into the proposed sale of the Canberra Labor Clubs to determine whether the provisions of the *Gaming Machine Act 2004* were complied with. The Commission concluded in its report of February 2010 to the Minister for Gaming and Racing that there was no breach of the *Gaming Machine Act 2004* in relation to the proposed sale process. The Commission's report also recommended the conduct of a review of club governance arrangements in the Act. The Minister agreed that the Commission should conduct the recommended review which is now underway. A first stage of public consultation has been held with the Commission currently analysing submissions received under the consultation process. A second round of consultation will occur once a draft report with recommendations has been developed. When completed the final report will be forwarded to the Minister for consideration.

In relation to racing and wagering, all States have implemented schemes whereby fees are charged for using or publishing their race fields information. The ACT has implemented its own race fields information scheme which commenced on 1 March 2010. The Commission has been tasked under the legislation to collect the race fields information charges on behalf of the three ACT racing codes and to forward 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).

The Productivity Commission's draft report on gambling was released in October 2009 with its final report being released on 23 June 2010. In response to the report the Australian Government has proposed the establishment of a new high level Council of Australian Governments (COAG) Select Council on Gambling Reform to progress a national approach to minimise the harm caused by problem gambling. The Select Council would include Ministers from all jurisdictions and would be chaired by the Australian Government. The proposal is currently being considered by States and Territories.

The Gambling and Racing Commission has commenced analysing the Productivity Commission's report in the context of the ACT's well established harm minimisation measures contained in its mandatory Code of Practice.

The Australian National University's (ANU) Centre for Gambling Research under agreement with the Commission produced a first draft report of their prevalence study of ACT gambling and problem gambling. It is expected that the prevalence study report will be finalised early in the new financial year and then released for public information.

This ACT specific research program has been complemented by the Government's continued commitment and financial contribution 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 2009-10. An intensive television campaign highlighting a responsible approach to gambling was conducted during Responsible Gambling Awareness Week (May 2010).

The Commission's new gaming machine database continued development during the year with the finalisation of specifications and the letting of a contract for software development.

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 effectively assess gambling providers' compliance with gaming laws.

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

A.4 Outlook

The Commission will finalise its report and recommendations in relation to its review of the governance arrangements in the *Gaming Machine Act 2004*. A second period of public consultation will be conducted before the Commission's report is finalised and forwarded to the Minister for consideration.

The Commission will assist the Government or other agencies as necessary with further information or implementation of any changes resulting from its updated 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 will assist ACT Treasury as appropriate in determining any impact on the ACT's scheme.

The Australian National University's (ANU) prevalence study contracted by the Commission covering the extent and nature of gambling and problem gambling in the ACT will be completed early in 2010-11. The implications of this study will be carefully analysed including consideration of the results in the context of the outcomes of the Productivity Commission's Report on Gambling.

When the Productivity Commission's Report and the ANU's prevalence study have been analysed the Commission will consider whether there are any implications for improving the ACT's harm minimisation measures, and if so, provide recommendations to the Minister for consideration.

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 on-going goal into the longer term.

During 2010-11 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.



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, the Select Council on Gambling Reform Officials' Group and the Community and Disability Services Ministers Advisory Council – Gambling Working Party.

The development of the Commission's new gaming machine database will be finalised during 2010-11 followed by the commissioning of the new system once it is fully tested. 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 and Analysis

General Overview

Objectives

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

- regulate gambling and racing activities in accordance with ACT gaming laws;
- review gaming laws to ensure their continued relevance and appropriateness;
- manage research and data collection in regard to the social and economic impacts of gambling in the ACT;
- 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

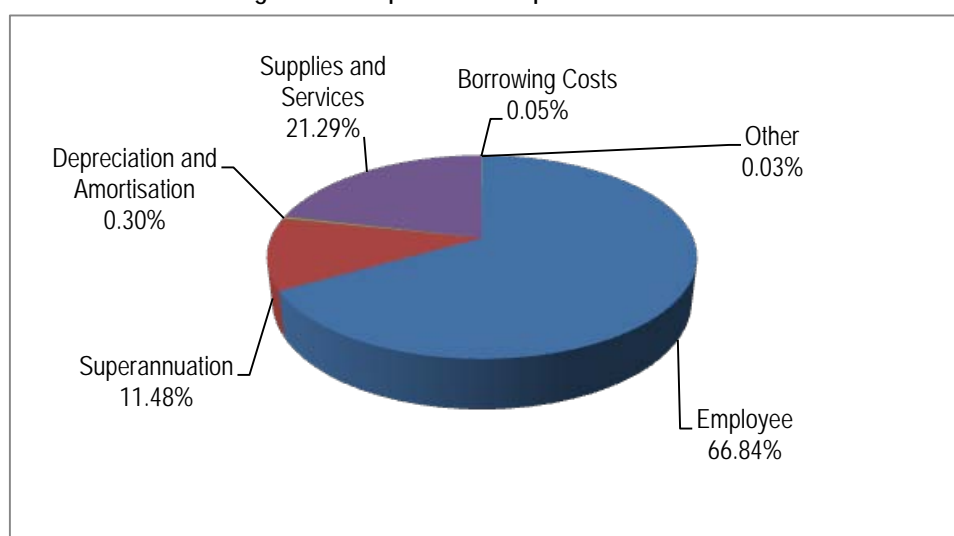
The following financial information is based on audited Financial Statements for 2008-09 and 2009-10 and the forward estimates contained in the 2009-2010 Budget Paper Number 4.

Total Expenditure

1. Components of Expenditure

Figure 1 indicates the components of the Commission's expenditure for 2009-10 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 **67 per cent** of ordinary activities or **\$2.329 million**.

Figure 1 - Components of Expenditure in 2009-10



2. Comparison to Budget

Expenditure

Total expenditure of **\$3.481 million** (not including taxation revenue transferred to Government) was **\$0.651 million**, or **15.8 per cent**, lower than the 2009-10 budget of **\$4.132 million**. The decrease is mainly due to:

- reduced employee expenses (**\$0.250 million**) due to the time-lag in employing staff after resignations and a decrease in annual leave taken by employees;
- supplies and services expenditure (**\$0.346 million**) mainly due to lower than expected payments for Commission funded research, general administration, training, education and repairs and maintenance; and
- superannuation expense (**\$0.028 million**) due to the time-lag in employing staff after resignations.

3. Comparison to 2008-09 Actual Expenditure

Total expenditure not including taxation revenue transferred to Government was **\$0.191 million**, or **5.2 per cent**, lower than the 2008-09 actual result. The decrease largely reflects decreased expenditure in employee expenses (**\$0.256 million**) due to the time-lag in employing staff after resignations following a period of whole of Government employment restraint and a decrease in annual leave taken by employees. The decrease was offset by an increase in superannuation contributions (**\$0.021 million**) and supplies and services expenditure (**\$0.044 million**).

4. Future Trends

Expenditure is budgeted to increase in 2010-11 by **\$0.807 million** due to a return to budgeted staffing levels and increased supplies and services expenditure mainly in the areas of research activity and the continued development of gambling education and awareness programs.

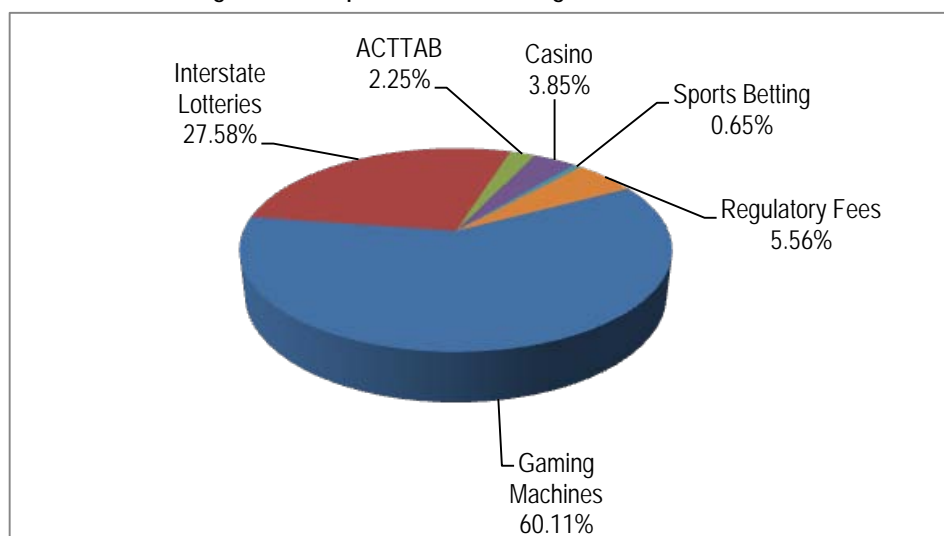
Total Income

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 operating bank account. In 2009-10 appropriation payments from Government were **\$4.249 million**.

Figure 2 below indicates that for the financial year ended 30 June 2010, the Commission received **60 per cent** of its total gambling revenue of **\$56.018 million** from gaming machine taxation.

Figure 2 - Components of Gambling Revenue in 2009-10



2. Comparison to Budget

Revenue

For the year ending 30 June 2010 gambling revenue was **\$56.018 million**, which was **\$0.669 million** lower than the 2009-10 budget of **\$56.687 million**. Increased revenue from interstate lotteries (**\$1.511 million**), higher ACTTAB licence fee (**\$0.242 million**), casino revenue (**\$0.162 million**) and sports betting (**\$0.362 million**) was more than off-set by decreases in:

- gaming machine revenue (**\$2.729 million**); and
- regulatory fees (**\$0.218 million**).

Gains

Income from gains for the year ending 30 June 2010 was **\$0.274 million** or **62.7 per cent** lower than the 2009-10 budget of **\$0.437 million**. This decrease was mainly due to a reduction in unclaimed prizes received by the Commission for the reporting period.



3. Comparison to 2008-09 Actual Income

Revenue

Gambling revenue in 2009-10 was **\$1.564 million**, or **2.9 per cent**, higher than the 2008-09 actual result. This was due to an increase in revenue from interstate lotteries (**\$1.428 million**), casino revenue (**\$0.124 million**), ACTTAB licence fee (**\$0.145 million**), sports betting (**\$0.172 million**) and regulatory fees (**\$0.179 million**). This was offset by a decrease in gaming machine revenue of (**\$0.484 million**).

Gains

Income from gains was **\$0.163 million** higher than the 2008-09 actual result of **Nil**. This is due to unclaimed prizes for the 2009-10 reporting period being directly transferred to the Commission where unclaimed monies are held in a separate account.

4. Future Trends

Total gambling revenue for 2010-11 is budgeted to decrease by **\$1.011 million** mainly in relation to interstate lottery revenue due to a projected decrease in larger jackpots for interstate lotteries. Revenue thereafter is anticipated to increase at a rate equivalent to household consumption.

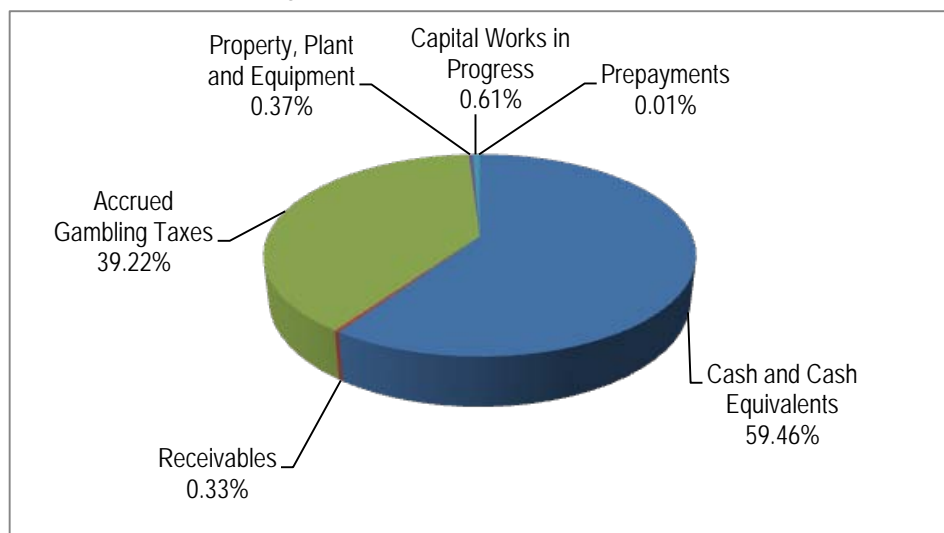
Commission's Financial Position

Total Assets

1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2010 the Commission held **39 per cent** of its assets in accrued gambling taxes and **60 per cent** in cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2010



2. Comparison to Budget

The total asset position as at 30 June 2010 is **\$9.883 million**, **\$1.725 million** higher than the 2009-10 budget of **\$8.158 million**. The improvement largely reflects an increase in cash and cash equivalents (**\$3.481 million**) mainly due to an improvement in the Commission's operating result and unclaimed prize monies now being held by the Commission. A small increase in capital works in progress (**\$0.060 million**) was also recorded due to the development of the Commission's new gaming machine database not being completed by the end of the reporting period. The increases were offset by a decrease in receivables (**\$1.478 million**) due to a decrease in accrued gambling taxes and a decrease in intangible assets (**\$0.344 million**) due to the rollover of funds allocated to the development of the new gaming machine database system to 2010-11.

3. Comparison to 2008-09 Actuals

The Commission's total asset position is **\$0.150 million** higher than the 2008-09 actual result of **\$9.733 million** largely due to an increase in cash and cash equivalents (**\$1.035 million**) based on an improvement in the Commission's operating result, partially off-set by a decrease in receivables (**\$0.952 million**) due to a reduction in accrued gambling taxes.

4. 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 2008-09 \$'000s	Current Year Budget 2009-10 \$'000s	Current Year Actual 2009-10 \$'000s	Forward Year Budget 2010-11 \$'000s	Forward Year Budget 2011-12 \$'000s	Forward Year Budget 2012-13 \$'000s
Current Assets	9,702	7,782	9,786	10,459	11,061	11,679
Current Liabilities	5,788	6,067	4,743	5,817	5,816	5,843
Current Ratio	1.68:1	1.28:1	2.06:1	1.80:1	1.90:1	2.00:1

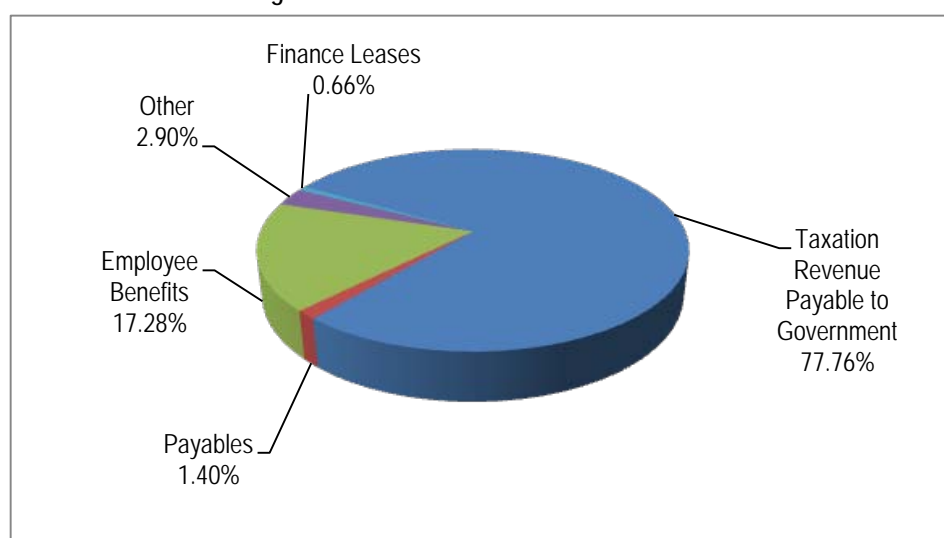
The Commission's current ratio for the financial year ended is **2.06 to 1** which is an improvement on the budgeted current ratio of **1.28:1**. The improvement reflects increased cash and cash equivalents due to unclaimed monies being held by the Commission and an improvement in the Commission's operating result.

The Commission is expecting to maintain a strong level of liquidity in the forward years.

Total Liabilities

1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities as at 30 June 2010 relate to taxation revenue payable to Government (**78 per cent**) and employee benefits (**17 per cent**).

Figure 4 – Total Liabilities as at 30 June 2010


2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2010 of **\$4.856 million** is **\$1.399 million** lower than the 2009-10 budget of **\$6.255 million** largely due to taxation revenue payable to Government (**\$1.475 million**) being lower than anticipated.

3. Comparison to 2008-09 Actuals

Total liabilities are **\$1.023 million** lower than the 2008-09 actual results of **\$5.879 million** mainly due to a decrease in taxation revenue payable to Government (**\$0.942 million**) and a decrease in payables (**\$0.053 million**).



A.6 Financial Report

The *Financial Management Act 1996* requires the Commission to prepare its annual financial report in accordance with generally accepted accounting principles.



ACT AUDITOR-GENERAL'S OFFICE



A10/28

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

Dear Mr Gray *Malcolm*

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF THE ACT GAMBLING AND RACING COMMISSION FOR THE YEAR ENDED 30 JUNE 2010

The Audit Office has completed the audit of the financial statements of the ACT Gambling and Racing Commission for the year ended 30 June 2010.

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 Gaming and Racing, Mr Andrew Barr MLA.

Yours sincerely

Bernie Sheville
Director, Financial Audits
11 August 2010

c.c. Mr Greg Jones, Chief Executive Officer
Mr David Morgan, Senior Manager, Budget Coordination and Reporting
Branch, Department of Treasury

**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 2010. 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 2010:

- (i) are presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Commission as at 30 June 2010 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.



Bernie Sheville
Director, Financial Audits
11 August 2010



**ACT Gambling and Racing Commission
Financial Statements
For the Year Ended 30 June 2010**

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 2010 and the financial position of the ACT Gambling and Racing Commission on that date

Malcolm Gray
Chairperson
ACT Gambling and Racing Commission

16 July 2010



**ACT Gambling and Racing Commission
Financial Statements
For the Year Ended 30 June 2010**

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 2010 and the financial position of the ACT Gambling and Racing Commission on that date

Ron Leonard
Chief Finance Officer
ACT Gambling and Racing Commission

15 July 2010



ACT GAMBLING AND RACING COMMISSION

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010



**ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2010**

	Note No.	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Income				
<i>Revenue</i>				
Government Payment for Outputs	4	4,249,000	4,274,000	4,142,000
Taxation Collected on Behalf of the Territory	5	52,903,136	53,354,000	51,517,904
Regulatory Fees	6	3,115,054	3,333,000	2,936,065
Interest		191,223	77,000	175,391
Resources Received Free of Charge	7	27,306	25,000	26,297
Other Revenue	8	24,360	0	0
<i>Total Revenue</i>		<u>60,510,079</u>	<u>61,063,000</u>	<u>58,797,657</u>
<i>Gains</i>				
Other Gains	9	163,096	437,000	0
<i>Total Gains</i>		<u>163,096</u>	<u>437,000</u>	<u>0</u>
Total Income		<u>60,673,175</u>	<u>61,500,000</u>	<u>58,797,657</u>
Expenses				
Employee Expenses	10	2,328,844	2,579,000	2,585,386
Superannuation Expenses	11	398,851	427,000	378,361
Supplies and Services	12	739,572	1,086,000	696,430
Depreciation and Amortisation	13	10,450	38,000	9,640
Borrowing Costs	14	1,824	2,000	1,834
Other Expenses		1,019	0	0
Taxation Revenue Transferred to Government		56,018,190	57,121,000	54,453,969
Total Expenses		<u>59,498,750</u>	<u>61,253,000</u>	<u>58,125,620</u>
Operating Surplus		<u>1,174,425</u>	<u>247,000</u>	<u>672,037</u>
Total Comprehensive Income		<u>1,174,425</u>	<u>247,000</u>	<u>672,037</u>

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 2010

	Note No.	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Current Assets				
Cash and Cash Equivalents	17	5,876,994	2,396,000	4,841,871
Receivables	18	3,908,246	5,386,000	4,859,775
Prepayments		1,217	0	619
Total Current Assets		9,786,457	7,782,000	9,702,265
Non-Current Assets				
Plant and Equipment	19	36,786	42,000	30,303
Intangible Assets	20	0	334,000	0
Capital Works in Progress	21	60,000	0	0
Total Non-Current Assets		96,786	376,000	30,303
Total Assets		9,883,243	8,158,000	9,732,568
Current Liabilities				
Payables	22	67,635	66,000	121,247
Finance Leases	23	8,401	7,000	21,658
Employee Benefits	24	762,911	615,000	772,308
Taxation Revenue Payable to Government		3,770,248	5,245,000	4,712,278
Other Liabilities	25	140,812	134,000	160,429
Total Current Liabilities		4,750,007	6,067,000	5,787,920
Non-Current Liabilities				
Finance Leases	23	23,444	20,000	0
Employee Benefits	24	82,102	168,000	91,383
Total Non-Current Liabilities		105,546	188,000	91,383
Total Liabilities		4,855,553	6,255,000	5,879,303
Net Assets		5,027,690	1,903,000	3,853,265
Equity				
Accumulated Funds	26	5,022,803	1,898,000	3,848,738
Asset Revaluation Surplus	26	4,887	5,000	4,887
Total Equity		5,027,690	1,903,000	3,853,265

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 2010

	Note No.	Accumulated Funds Actual 2010 \$	Asset Revaluation Surplus Actual 2010 \$	Other Reserves Actual 2010 \$	Total Equity Actual 2010 \$	Original Budget 2010 \$
Balance at the Beginning of the Reporting Period		3,848,378	4,887	0	3,853,265	1,656,000
Comprehensive Income						
Operating Surplus		1,174,425	0	0	1,174,425	247,000
Increase/(Decrease) in the Asset Revaluation Surplus	26	0	0	0	0	0
Total Comprehensive Income		1,174,425	0	0	1,174,425	247,000
Balance at the End of the Reporting Period		5,022,803	4,887	0	5,027,690	1,903,000



ACT Gambling and Racing Commission
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2010

	Note No.	Accumulated Funds Actual 2009 \$	Asset Revaluation Surplus Actual 2009 \$	Other Reserves Actual 2009 \$	Total Equity Actual 2009 \$
Balance at the Beginning of the Reporting Period		3,301,341	4,887	0	3,306,228
Comprehensive Income					
Operating Surplus		672,037	0	0	672,037
Increase/(Decrease) in the Asset Revaluation Surplus	26	0	0	0	0
Total Comprehensive Income		672,037	0	0	672,037
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		1,875,000	0	0	1,875,000
Capital (Distributions)		(2,000,000)	0	0	(2,000,000)
Total Transactions Involving Owners Affecting Accumulated Funds		(125,000)	0	0	(125,000)
Balance at the End of the Reporting Period		3,848,378	4,887	0	3,853,265

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 2010

	Note No.	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		4,249,000	4,274,000	4,142,000
Taxation Collected on Behalf of the Territory		53,864,783	53,354,000	52,024,569
Regulatory Fees		3,095,437	3,333,000	2,962,330
Interest Received		178,348	77,000	190,254
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		82,098	110,000	64,131
Goods and Services Tax Collected		2,939	0	0
Other Revenue		181,342	437,000	0
Total Receipts from Operating Activities		61,653,947	61,585,000	59,383,284
Payments				
Employee		2,349,057	2,520,000	2,369,576
Superannuation		397,317	427,000	375,027
Supplies and Services		766,153	1,063,000	614,880
Borrowing Costs		1,824	2,000	1,834
Other Expenses		1,019	0	0
Taxation Revenue transferred to Government		56,960,220	57,124,000	54,986,899
Goods and Services Tax Remitted to the Australian Taxation Office		1,477	0	0
Goods and Services Tax Paid to Suppliers		79,341	110,000	69,191
Total Payments from Operating Activities		60,556,408	61,246,000	58,417,407
Net Cash Inflows from Operating Activities	30	1,097,539	339,000	965,877
Cash Flows from Investing Activities				
Receipts				
Proceeds from Sale of Plant and Equipment		24,879	0	0
Total Receipts from Investing Activities		24,879	0	0
Payments				
Purchase of Plant and Equipment		0	10,000	5,725
Purchase of Intangibles		60,000	360,000	0
Total Payments from Investing Activities		60,000	370,000	5,725
Net Cash (Outflows) from Investing Activities		(35,121)	(370,000)	(5,725)



ACT Gambling and Racing Commission
Cash Flow Statement - Continued
For the Year Ended 30 June 2010

	Note No.	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Cash Flows from Financing Activities				
Receipts				
Capital Injections		0	0	1,875,000
Total Receipts from Financing Activities		0	0	1,875,000
Payments				
Repayment of Finance Lease Liabilities		27,295	7,000	7,359
Capital Distributions		0	0	2,000,000
Total Payments from Financing Activities		27,295	7,000	2,007,359
Net Cash (Outflows) from Financing Activities		(27,295)	(7,000)	(132,359)
Net Increase in Cash and Cash Equivalents		1,035,123	(38,000)	827,793
Cash and Cash Equivalents at the Beginning of the Reporting Period		4,841,871	2,434,000	4,014,078
Cash and Cash Equivalents at the End of the Reporting Period	17/30	5,876,994	2,396,000	4,841,871

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 2010

	Budget 2010 \$	Total Appropriated 2010 \$	Appropriation Drawn 2010 \$	Appropriation Drawn 2009 \$
Government Payment for Outputs	4,274,000	4,274,000	4,249,000	4,142,000
Capital Injections	0	0	0	1,875,000
Total Appropriation	4,274,000	4,274,000	4,249,000	6,017,000

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 which remain unspent during the year of appropriation and which have been returned to Government.



**ACT Gambling and Racing Commission
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2010

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 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.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2010

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 2010 together with the financial position of the Commission as at 30 June 2010.

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.

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 2010**

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.

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 2010**

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 2010

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>Class of Asset</u>	<u>Depreciation Method</u>	<u>Useful Life (Years)</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 Accrued Expenses.

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
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2010

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 2009-10, the discount factor used to estimate the present value of these future payments is 92.9% (90.5% in 2008-09).

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 2010**

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 or Distributed to the ACT Government

Contributions made to 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
For the Year Ended 30 June 2010

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*.

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 and Amortisation 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.

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 July 2010);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2010);
- AASB 107 Statement of Cash Flows (application date 1 January 2010);

ACT Gambling and Racing Commission
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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 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 117 Leases (application date 1 January 2010);
- AASB 118 Revenue (application date 1 January 2010);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 February 2010);
- AASB 136 Impairment of Assets (application date 1 January 2010);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);
- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2010);
- AASB 1031 Materiality (application date 1 January 2011);
- 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 2009-13 Amendments to Australian Accounting Standard arising from Interpretation 19 [AASB 1] (application date 1 July 2010);
- 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).

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 liabilities that don't 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 discount rate used to estimate the present value of the payments increased from 90.5% in 2008-09 to 92.9% in 2009-10.

This change has resulted in an increase to the estimate of the long service leave liability and expense in the current reporting period of \$12,165.

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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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.

	2010	2009
	\$	\$
Revenue from the ACT Government		
Government Payment for Outputs	4,249,000	4,142,000
Total Government Payment for Outputs	4,249,000	4,142,000

Note 5 Taxation Collected on Behalf of the Territory

Gaming Machines	33,671,337	34,155,319
Interstate Lotteries	15,450,909	14,022,791
Casino	2,156,297	2,031,918
ACTTAB	1,262,142	1,117,638
Sports Betting	362,451	190,238
Total Taxation Collected on Behalf of the Territory	52,903,136	51,517,904

Note 6 Regulatory Fees

Gaming Machines	178,543	172,824
Lotteries	2,100,957	1,937,412
Casino	788,291	778,112
Sports Betting	47,084	46,342
Racing	179	1,375
Total Regulatory Fees	3,115,054	2,936,065

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	27,306	26,297
Total Resources Received Free of Charge	27,306	26,297

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	24,360	0
Total Other Revenue from Non-ACT Government Entities	24,360	0
Total Other Revenue	24,360	0



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.

	2010	2009
	\$	\$
Gains From Sale of Assets	6,114	0
Unclaimed Prizes	156,982	0
Total Other Gains	163,096	0

Note 10 Employee Expenses

Wages and Salaries	2,093,661	2,075,636
Annual Leave Expense	184,815	287,268
Long Service Leave Expense	24,076	211,053
Comcare Premium	8,092	11,429
Other Employee Benefits	18,200	0
Total Employee Expenses	2,328,844	2,585,386

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 new Public Sector Superannuation Scheme Accumulation Plan (PSSAP).

Superannuation payments are also made to external providers as part of the new 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	285,639	261,942
Productivity Benefit	39,846	39,740
Superannuation Payment to Comsuper (for the PSSAP)	17,838	26,368
Superannuation to External Providers	55,528	50,311
Total Superannuation Expenses	398,851	378,361

Note 12 Supplies and Services

Rent and Related Expenses	210,073	205,351
Travel	17,992	23,426
Research Expenses	150,066	84,541
General Administration Costs	113,578	97,181
Audit Fees	25,088	26,300
Personnel Services	34,200	70,281
Computer Support Services	161,269	163,053
Legal Fees	27,306	26,297
Total Supplies and Services	739,572	696,430



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	2010 \$	2009 \$
Note 13 Depreciation		
Depreciation		
Plant and Equipment	1,807	745
Plant and Equipment under a Finance Lease	8,643	8,895
Total Depreciation	10,450	9,640

Note 14 Borrowing Costs		
Finance Charges on Finance Leases	1,824	1,834
Total Borrowing Costs	1,824	1,834

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.

There were no waivers, impairment losses or write offs during the reporting period (2008-2009 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	25,088	22,400
Total Audit Fees	25,088	22,400

Note 17 Cash and Cash Equivalents

The ACT Gambling and Racing Commission holds four bank accounts with the Commonwealth Bank as part of the whole-of-government banking arrangements that earned an average floating interest rate of 3.52%.

Cash at Bank	5,876,721	4,841,601
Cash on Hand	273	270
Total Cash and Cash Equivalents	5,876,994	4,841,871



ACT Gambling and Racing Commission
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	2010 \$	2009 \$
Note 18 Receivables		
Gaming Machine Taxation ^a	2,347,549	2,896,597
Interstate Lotteries Duty ^b	1,117,000	1,600,000
Casino Taxation ^c	191,539	165,000
ACTTAB Licence Fee	134,692	130,830
Sports Bookmakers ^d	85,000	45,000
Sub-Total (Gambling Taxes Accrued)	3,875,780	4,837,427
Other Trade Receivables	21,181	8,306
Net GST Receivable	11,285	14,042
Sub-Total (Other Receivables)	32,466	22,348
Total Receivables	3,908,246	4,859,775

^a The decrease in Gaming Machine Taxation is due to gaming machine tax payable in July for June being received in June for several licensees.

^b The decrease in Interstate Lotteries Duty is due to an estimated decrease in activity for the month of June payable in July.

^c The increase Casino taxation is due to an increase in activity for June payable in July.

^d The increase in Sports Bookmakers is due to an estimated increase in activity for the payment period ending 30 June payable in July.

Ageing of Receivables

	Not Overdue	Past Due			Total
		Less than 30 Days	30 to 60 days	Greater than 60 Days	
	\$	\$	\$	\$	\$
2010					
Receivables	3,908,246	0	0	0	3,908,246
2009					
Receivables	4,859,775	0	0	0	4,859,775

	2010 \$	2009 \$
Classification of ACT Government/Non-ACT Government Receivables		
Receivables with ACT Government Entities		
Gambling Taxes Accrued	134,692	130,830
Total Receivables with ACT Government Entities	134,692	130,830
Receivables with Non-ACT Government Entities		
Gambling Taxes Accrued	3,741,088	4,706,597
Net Other Trade Receivables	21,181	8,306
Net GST Receivable	11,285	14,042
Total Receivables with Non-ACT Government Entities	3,773,554	4,728,945
Total Receivables	3,908,246	4,859,775



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.

	2010 \$	2009 \$
Plant and Equipment		
Plant and Equipment at Fair Value	9,034	9,034
Less: Accumulated Depreciation	(2,551)	(745)
Total Written Down Value of Plant and Equipment	<u>6,483</u>	<u>8,289</u>
Plant and Equipment under a Finance Lease		
Plant and Equipment under a Finance Lease at Fair Value	35,698	30,909
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	(5,395)	(8,895)
Total Written Down Value of Plant and Equipment under a Finance Lease	<u>30,303</u>	<u>22,014</u>
Total Written Down Value of Plant and Equipment	<u>36,786</u>	<u>30,303</u>

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 30 June 2008.

Reconciliation of Plant and Equipment

The following table shows the movement of Plant and Equipment during 2009-10 and 2008-09.

2009-10	Plant and Equipment \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	30,303	30,303
Additions	35,698	35,698
Disposals	(18,765)	(18,765)
Revaluation Increment	0	0
Depreciation	(10,450)	(10,450)
Carrying Amount at the End of the Reporting Period	<u>36,786</u>	<u>36,786</u>
2008-09	Plant and Equipment \$	Total \$
Carrying Amount at the Beginning of the Reporting Period	34,218	34,218
Additions	5,725	5,725
Disposals	0	0
Revaluation Increment	0	0
Depreciation	(9,640)	(9,640)
Carrying Amount at the End of the Reporting Period	<u>30,303</u>	<u>30,303</u>



ACT Gambling and Racing Commission
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Note 20 Intangibles

The Commission is in the early stages of acquiring an externally purchased gaming machine database system.

Note 21 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.

	2010	2009
	\$	\$
Software Works in Progress	60,000	0
Total Capital Works in Progress	60,000	0

The increase in Software Works in Progress is due to development work commencing on the Commission's new gaming machine database system in 2010 which was not completed at the end of the reporting period.

Note 22 Payables

Trade Payables	4,588	40,019
Accrued Expenses	63,047	81,228
Total Payables	67,635	121,247

Aging of Payables

Payables are aged as follows:

Not overdue	67,635	121,247
Overdue for less than 30 days	0	0
Overdue for 30 to 60 days	0	0
Overdue for more than 60 days	0	0
Total Payables	67,635	121,247

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

Accrued Expenses	61,209	72,408
Total Payables with ACT Government Entities	61,209	72,408

Payables with Non-ACT Government Entities

Trade Payables	4,588	40,019
Accrued Expenses	1,838	8,820
Total Payables with Non-ACT Government Entities	6,426	48,839
Total Payables	67,635	121,247



ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
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Note 23 Finance Leases

The Commission holds two finance leases each of which has been taken up as a finance lease liability and an asset under a finance lease. These leases are for motor vehicles. The interest rates implicit in these leases are 6.48% and 7.17% with both leases on a two year term. These leases have no terms of renewal or purchase options, nor escalation clauses.

Current Finance Leases	2010	2009
	\$	\$
Secured		
Finance Leases	8,401	21,658
Total Current Secured Finance Leases	8,401	21,658
Non-Current Finance Leases		
Secured		
Finance Leases	23,444	0
Total Non-Current Secured Finance Leases	23,444	0
Total Finance Leases	31,845	21,658

Secured Finance Leases

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

Finance Leases

Finance lease commitments are payable as follows:

Within one year	10,320	22,216
Later than one year but not later than five years	23,919	0
Later than five years	0	0
Minimum Lease Payments	34,239	22,216
Less: Future Finance Lease Charges	(2,394)	(558)
Amount Recognised as a Liability	31,845	21,658
Total Present Value of Minimum Lease Payments	31,845	21,658

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

Within one year	8,401	21,658
Later than one year but not later than five years	23,444	0
Later than five years	0	0
Total Present Value of Minimum Lease Payments	31,845	21,658



ACT Gambling and Racing Commission
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Note 23 Finance leases - Continued

Classification on the Balance Sheet	2010 \$	2009 \$
Finance Leases		
Current Finance Leases	8,401	21,658
Non-Current Finance Leases	23,444	0
Total Finance Leases	<u>31,845</u>	<u>21,658</u>

Note 24 Employee Benefits

Current Employee Benefits

Annual Leave	285,098	329,887
Long Service Leave	398,627	389,494
Accrued Wages and Salaries	60,986	52,927
Other Benefits	18,200	0
Total Current Employee Entitlements	<u>762,911</u>	<u>772,308</u>

Non-Current Employee Benefits

Long Service Leave	82,102	91,383
Total Non-Current Employee Entitlements	<u>82,102</u>	<u>91,383</u>

Total Employee Benefits	<u>845,013</u>	<u>863,691</u>
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Estimate of when Leave is Payable

Estimated Amount Payable within 12 Months

Annual Leave	285,098	329,887
Long Service Leave	9,842	25,894
Accrued Wages and Salaries	60,986	52,927
Other Benefits	18,200	0
Total Employee Benefits Payable within 12 Months	<u>374,126</u>	<u>408,708</u>

Estimated Amount Payable after 12 Months

Long Service Leave	470,887	454,983
Total Employee Benefits Payable after 12 Months	<u>470,887</u>	<u>454,983</u>

Total Employee Benefits	<u>845,013</u>	<u>863,691</u>
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At the end of 2009-10 the ACT Gambling and Racing Commission had 27 full-time equivalent staff employed (2008-09 29.40 full-time equivalent staff).



ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
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Note 25 Other Liabilities	2010	2009
	\$	\$
Current Other Liabilities		
Revenue Received in Advance		
- Casino Licence	81,444	78,995
- Sports Bookmakers Annual Licence	24,088	46,154
- Security – Interactive Gambling	35,280	35,280
Total Current Other Liabilities	140,812	160,429

Note 26 Equity

Asset Revaluation Surplus

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

Balance at the Beginning of the Reporting Period	4,887	4,887
Increase/(Decrease) in the Asset Revaluation Surplus	0	0
Total Increase/(Decrease) in Asset Revaluation Surplus	0	0
Balance at the End of the Reporting Period	4,887	4,887

Note 27 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* to the financial statements.

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 2010 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

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.



ACT Gambling and Racing Commission
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Note 27 Financial Instruments – Continued**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.

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 2010 \$	Fair Value 2010 \$	Carrying Amount 2009 \$	Fair Value 2009 \$
Financial Assets				
Cash and Cash Equivalents	5,876,994	5,876,994	4,841,871	4,841,871
Receivables	32,466	32,466	22,348	22,348
Total Financial Assets	5,909,460	5,909,460	4,864,219	4,864,219
Financial Liabilities				
Payables	67,635	67,635	121,247	121,247
Finance Leases	31,845	31,845	21,658	21,658
Total Financial Liabilities	99,480	99,480	142,905	142,905

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Note 27 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 \$	Fixed Interest maturing in:			Non- Interest Bearing \$	Total \$
			1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$		
Financial Assets							
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
Total Financial Assets		5,876,721	0	0	0	32,739	5,909,460
Weighted Average Interest Rate		3.52%					
Financial Liabilities							
Payables	22	0	0	0	0	67,635	67,635
Finance Leases	23	0	10,320	23,919	0	0	34,239
Total Financial Liabilities		0	10,320	23,919	0	67,635	101,874
Weighted Average Interest Rate			6.83%	6.83%			
Net Financial Assets/(Liabilities)		5,876,721	(10,320)	(23,919)	0	(34,896)	5,807,586

ACT Gambling and Racing Commission
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Note 27 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 2009. 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	Fixed Interest maturing in:				Non-Interest Bearing	Total
		Floating	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and Cash Equivalents	17	4,841,601	0	0	0	270	4,841,871
Receivables	18	0	0	0	0	22,348	22,348
Total Financial Assets		4,841,601	0	0	0	22,618	4,864,219
Weighted Average Interest Rate		4.64%					
Financial Liabilities							
Payables	22	0	0	0	0	121,247	121,247
Finance Leases	23	0	22,216	0	0	0	22,216
Total Financial Liabilities		0	22,216	0	0	121,247	143,463
Weighted Average Interest Rate			7.40%				
Net Financial Assets/(Liabilities)		4,841,601	(22,216)	0	0	(98,629)	4,720,756



ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
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Note 27 Financial Instruments – Continued

Carrying Amount of Each Category of Financial Asset and Financial Liability	2010 \$	2009 \$
Financial Assets		
Loans and Receivables	32,466	22,348
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	99,480	142,905

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 28 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 2010 are:

Mr M Gray	Chair
Mr M Rolfe	Deputy Chair
Dr M Doherty	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.14 of November 2008 and Determination No.17 November 2009 of the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Commission was \$110,333 (2008-09 \$103,180).

There were no other related party transactions during the period.

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 \$60,000 (2008-09 \$60,000).

The Commission holds 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 \$2,031,045 (2008-09 \$1,875,000).



ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2010

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.

	2010 \$	2009 \$
Total Cash and Cash Equivalents Disclosed in the Balance Sheet	5,876,994	4,841,871
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	<u>5,876,994</u>	<u>4,841,871</u>

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

Operating Surplus	1,174,425	672,037
Add/(Less) Non-Cash Items		
Add Depreciation	10,450	9,640
Add Non-Cash Expense on Acquisition of Motor Vehicles	1,785	0
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	(6,114)	0
Cash Before Changes in Operating Assets and Liabilities	<u>1,180,546</u>	<u>681,677</u>
Changes in Operating Assets and Liabilities		
Decrease in Receivables	952,991	516,468
(Increase) in Prepayments	(598)	(619)
(Decrease)/Increase in Payables	(55,074)	55,872
(Decrease)/Increase in Employee Benefits	(18,679)	219,144
(Decrease) in Taxation Revenue Payable	(942,030)	(532,930)
(Decrease)/Increase in Other Liabilities	(19,617)	26,265
Net Changes In Operating Assets and Liabilities	<u>(83,007)</u>	<u>284,200</u>
Net Cash Inflows from Operating Activities	<u>1,097,539</u>	<u>965,877</u>

(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 from 2006-07 onwards are under a finance lease rather than under an operating lease.

Acquisition of Motor Vehicles by means of Finance Leases	2	0
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2010

Note 31 Events Occurring After Balance Date

There were no events occurring after the balance date which would affect the financial statements as at 30 June 2010.

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.

	2010 \$	2009 \$
Race field Information Charge		
Balance at the Beginning of the Reporting Period	0	0
Cash Receipts	536,294	0
Cash Payments	(536,294)	0
Balance at the End of the Reporting Period	<u>0</u>	<u>0</u>



A.7 Statement of Performance

The *Financial Management Act 1996* requires the Commission to prepare an annual statement of performance. The statement of performance reports the Commission's performance for the year against the performance criteria and other measures set out in the Commission's Statement of Intent as well as the Commission's output class and accountability indicators as identified in the budget papers for the reporting period.



ACT AUDITOR-GENERAL'S OFFICE



A10/28

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 2010

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 2010.

I am pleased to attach the statement of performance and **unqualified** report of factual findings.

I have provided a copy of the statement of performance and report of factual findings to the Minister for Gaming and Racing, Mr Andrew Barr MLA.

Yours sincerely

Bernie Sheville
Director, Financial Audits
20 August 2010

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 2010.

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 for 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 the *Financial Management (Statement of Performance Scrutiny) Guidelines 2008*.

I have reviewed the statement of performance of the Commission to report on whether any matters came 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. 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 2010 does not fairly present the performance of the Commission in accordance with the *Financial Management Act 1996*.

Bernie Sheville
Director, Financial Audits
20 August 2010



**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2010**

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 2010 and also fairly reflects the judgements exercised in preparing it

Malcolm Gray
Chairperson
ACT Gambling and Racing Commission

18 August 2010



ACT GAMBLING AND RACING COMMISSION

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2010



ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2010

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 2010**

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

	2009-10 Targets	2009-10 Actual Result	% Variance from Target	Reasons for Material Variance
Total cost	\$4,132,000	\$3,480,560	(15.8)	1
Government payment for outputs	\$4,274,000	\$4,249,000	(0.6)	

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

Reasons for Material Variance

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

Explanation of Measures

- Effectively regulate gambling and racing activity for statutory compliance.
 - The Commission has achieved or exceeded all of its expected targets against this objective.
- Ensure compliance with statutory payment of taxes and fees.
 - The Commission has collected all taxes and fees that were generated from gambling activity undertaken in the Territory this year and furnished monthly workbook reports and Quarterly Variance and Status Reports to the Department of Treasury as required.
 - The Commission has achieved all of its expected targets against this objective.



**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2010**

Additional performance measures included in the Commission's 2009-10 Statement of Intent.

Objective	Activity	Measured by	2009-10 Targets	2009-10 Result	% 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	2	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	1	0
3. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2009-10 budget	Achieve or improve the 2009-10 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating result of \$1,174,425 exceeds the budgeted operating result of \$247,000	0

Outcomes of Measures

1. Review gaming legislation and policies and implement changes.
 - The Commission has:
 - completed its report on the Review of the Maximum Number of Gaming Machines Allowed in the ACT in February 2010 and forwarded it to the Minister for Gaming and Racing; and.
 - implemented the recommended changes from its review of the *Unlawful Games Act 1984* with the drafting of the new *Unlawful Gambling Act 2009* which commenced in March 2010.
2. Coordinate research and education projects.
 - The Commission has:
 - successfully completed a gambling education project in May 2010. This project targeted the ACT community with both television and newspaper advertising along the theme of responsible gambling.
3. Effectively manage Commission resources.
 - The Commission has achieved an operating surplus of \$1,174,425 against the 2009-10 budgeted result of \$247,000.



**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2010**

Additional financial performance measures included in the Commission's 2009-10 Statement of Intent.

	2009-10 Targets	2009-10 Actual Result	% Variance from Target	Reasons for Material Variance
Profitability				
Return on Assets	3.03%	11.88%	292.1	1
Return on Equity	12.98%	23.36%	80.0	1
Profit Margin	5.78%	27.64%	378.2	1
Financial Management				
Current Ratio	1.28:1	2.06:1	60.9	2
Cash position	0.29:1	0.59:1	103.4	2
Financial Stability				
Debt Ratio	0.77:1	0.49:1	(36.4)	3
Gearing Ratio	0.01:1	0.01:1	0	
Debt Management				
Interest Cover Ratio	124:1	644:1	419.4	1

Note: Profit margin – taxes, fees and fines have been excluded from this calculation as the Commission does not retain any of this amount.

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. Additionally the Commission has received increased interest revenue as a result of unclaimed prize monies now being held by the Commission.
2. The increase reflects increased cash and cash equivalents due to an improvement in the Commission's operating result.
3. The decrease reflects an increase in cash and cash equivalents due to an improvement in the Commission's operating result.

Explanation of Measures

- *Return on Assets*=operating result / year end total assets
- *Return on Equity*=operating result / equity
- *Profit Margin*=(operating result – investment income) / (Government & non-Government user-charges + Government payments for output + taxes, fees and fines - investment income)
- *Current Ratio*=current assets / current liabilities
- *Cash Position*=(cash + current investments) / total assets
- *Debt Ratio*=total liabilities / year end total assets
- *Gearing Ratio*=total debt / equity
- *Interest Cover Ratio*=operating result / annual interest payments



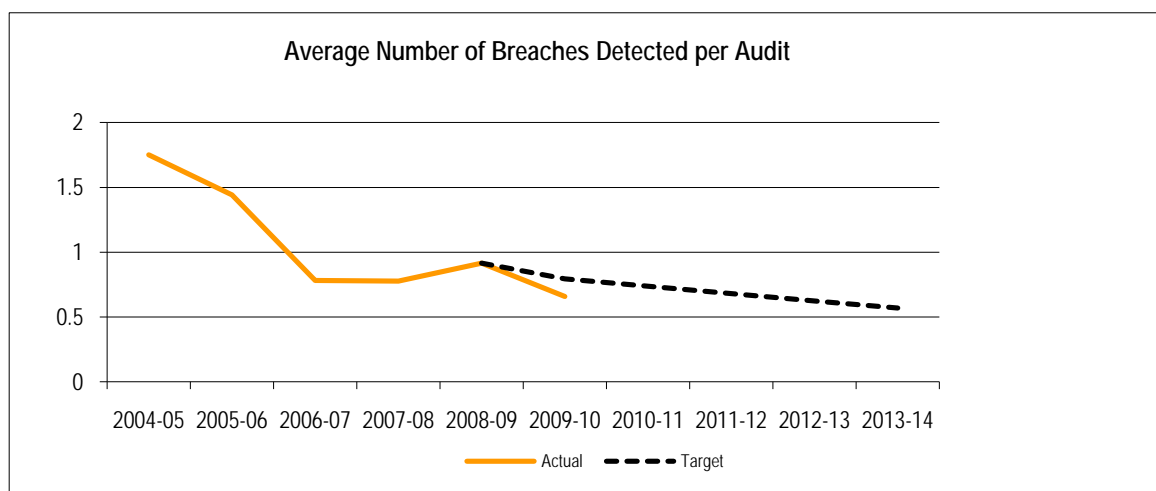
A.8 Strategic Indicators

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 2009-10 financial year with the average number detected decreasing from 0.91 in 2008-09 to 0.66 per audit. This result is an improvement on the targeted amount for 2009-10 as a result of the Commission's continuing efforts to educate licensees and their staff.

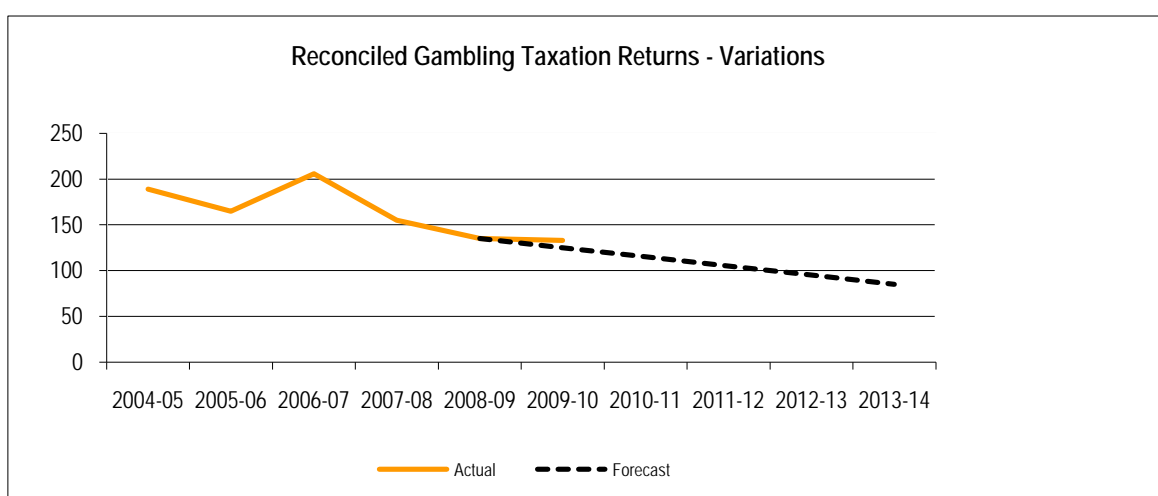


Strategic Indicator 2

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 2009-10 decreased to 133 (2008-09 recorded 135). Although this result was slightly above target, which had a predicted lower number of variances for 2009-10, it was nevertheless lower than the 2008-09 result. The variations are expected to continue to decline as a result of the Commission's continuing efforts to educate licensees and their staff.



A.9 Analysis of Agency Performance

A.9.1 Gaming Regulation

Regulatory activities undertaken by the Commission focus on casino operations, gaming machines, interactive gaming, lotteries, racing and wagering and unlawful gaming.

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. During the reporting period the casino completed its update of this system from analog to a combination of analog and digital. The Commission had previously approved the initial upgrade and monitored the transition to the new system.

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	60
Renewals	24
Variations	34
Cessations	60
Current Casino Employees	
Licensed	191
Unlicensed	75



- 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 2009-10.

- 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.

A number of approvals were issued by the Commission in 2009-10.

- 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 2009-10 the Commission did not receive any applications from the casino for either the introduction of a new game or an amendment to the rules of a current game.

- 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 2009-10 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.

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 2009-10 the casino completed an extensive review and update of its control procedures in respect of the security and surveillance departments and exclusions from the casino in order to ensure that they were up to date and that staff responsibilities were appropriately identified.

- 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 confirmed the casino licensee's exclusion decision.



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 of breaches of the rules and procedures. In addition 12 revenue based audits were conducted to ensure the correct payment of taxes within statutory timeframes.

Breaches Detected

The Commission identified 407 minor breaches of the approved rules and procedures during the reporting period. This is an improvement on the 491 minor breaches detected in the previous financial year. The minor breaches for 2009-10 were as follows:

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

All minor breaches were resolved satisfactorily.

One more significant operational incident occurred in the casino during the reporting period with one serious breach of the legislation being detected.

- 1 breach of section 100 of the *Casino Control Act 2006* related to casino officials not conducting an authorised game in accordance with approved rules or conditions.

The Commission provided a strong written warning regarding the above more serious breach.

Disciplinary Action

In the event of a breach of the legislation being identified by the Commission, an initial warning is issued to the casino licensee and/or 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 desires of 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 2010.

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	59	5,014
Hotels/Taverns	11	70
Total	70	5,084

Applications for Additional Gaming Machines

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

Licence Cancellations and Transfers

The Commission did not receive any applications to transfer licences during the reporting period. However, two club licences and one hotel/tavern licence were surrendered during the period and one club licence was cancelled due to its failure to meet the 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/Value
New and renewed Gaming Machine Attendant applications processed	459
New and renewed Gaming Machine Technician applications processed	25
Transfers and amendments to Gaming Machine Attendant Certificates	48
Transfers and amendments to Gaming Machine Technician Certificates	0
Cancellation of Attendant or Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by a licensee or supplier	318
Cancellation of Attendant or Technician Certificates as Certificate holder is deemed unsuitable	0
Disciplinary Action - Approved Attendants/Technicians	1
Refusal to grant an Attendant or Technician Certificate	0
Refusal to renew an Attendant or Technician Certificate	0
Total current Approved Attendants	773
Total current Approved Technicians	46

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	318
Applications for new types of peripheral equipment from suppliers	60
Applications from licensees to convert existing gaming machines	1,229
Applications from licensees to replace existing gaming machines	682
Total value of new (replacement) machines approved	\$12,068,529.17
Applications to operate a linked-jackpot arrangement	45
Applications to operate a multi-user linked-jackpot arrangement	2
Applications to dispose of gaming machines	5

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*. 66 of these audits related to verification of Community Contributions expenditure claimed by licensees.

Further, an investigation was conducted into a licensee's eligibility to hold a gaming machine licence. The gaming machine licence was suspended for a period of 21 days while the licensee undertook action to restore its eligibility under section 146 of the *Gaming Machine Act 2004*.

Breaches Detected

The Commission identified a total of 230 breaches of the gaming legislation (compared to 384 last year) of which 149 breaches related to the *Gaming Machine Act 2004* as follows:

- 6 related to the failure to comply with a condition of a licence as required under section 39;
- 1 related to the failure to display the licence or a copy of the licence at the entrance to each gaming area of the licensed premises as required under section 41;
- 1 related to the failure to operate a gaming machine in accordance with the licensee's rules and control procedures as required under section 43;
- 9 related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- 36 related to the failure to display signage indicating the percentage payout as required under section 48;
- 1 related to the failure to comply with the relevant Code of Practice as required under section 50;
- 1 related to the failure to use the licensed gaming machines as required under section 51;
- 3 related to the failure to keep accurate accounts relating to gaming machines as required under section 52;
- 7 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);
- 29 related to the failure to record accurate and correct details in the machine access register for the licensed gaming machines on the licensed premises as required under section 71;



- 1 related to aiding and abetting the failure to record accurate and correct details in the machine access register for the licensed gaming machines on the licensed premises pursuant to section 71;
- 13 related to the failure to notify the Commission that an Attendant was no longer employed as required under section 94(2);
- 2 related to the failure to comply with the sealing of computer cabinets as required under section 123(1);
- 6 related to the unauthorised access of a gaming machine pursuant to section 128;
- 1 related to aiding and abetting the unauthorised access of gaming machines pursuant to section 128;
- 2 related to the failure to display signage indicating that the gaming machine is part of a linked jackpot arrangement and the percentage of turnover set aside for the linked jackpot arrangement pursuant to section 134(4);
- 1 related to a licensee not having a minimum of 300 voting members as required by section 146(e);
- 1 related to the failure to ensure that premises are kept and maintained for the benefit of members generally as required by section 146(g);
- 1 related to the failure to provide information as required by section 149(3);
- 13 related to the failure to display an approved gambling warning notice on each machine as required under section 151(2)(a);
- 1 related to the failure to submit audited accounts for the gaming machines within 6 months of the end of the licensee's financial year as required by section 158;
- 5 related to the failure to pay gaming machine tax by the seventh day after the end of the month as required by section 161(3);
- 4 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
- 4 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 6 breaches of the *Gaming Machine Regulation 2004* in relation to gaming machine licensees:

- 4 related to the failure to keep records of gaming machine tickets as required by section 32;
- 1 related to the failure to forfeit unredeemed gaming machine tickets as required by section 33; and
- 1 related to the failure to display the linked jackpot amount as required by section 45.

There were 49 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* detected (compared to 11 last year) in relation to gaming machine licensees:

- 32 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);
- 1 related to the licensee conducting gambling without an eligible Gambling Contact Officer appointed as required by section 1.9(1);
- 1 related to the failure to advise the Commission of changes to the Gambling Contact Officer as required by section 11;
- 1 related to a cash payment of winnings to a patron in excess of the daily limit prescribed under section 1.23;



- 1 related to the failure to pay non-cash winnings to a patron within 3 days as required by section 1.23A;
- 2 related to the failure to make information available to patrons as required under section 1.25;
- 3 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; and
- 8 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 26 breaches of the *Lotteries Act 1964* detected (compared to 10 last year) during audits of gaming machine venues which are outlined in the Lotteries Regulation section of this report:

- 1 related to tickets being sent to members for a private lottery in contravention of section 6(3)(f);
- 11 related to the conduct of a lottery other than an approved or exempt lottery as required by section 8(1);
- 1 related to the failure to comply with the approved conditions of the lottery pursuant to section 8(2); and
- 13 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):

- The failure of a licensee to comply with a direction in a reprimand that was issued by the Commission in the previous financial year. This resulted in disciplinary action against the licensee by way of suspension of its gaming machine licence for a period of 4 days.
- The failure of a licensee to comply with a condition of its licence by failing to comply with the mandatory Code of Practice. The licensee did not pay a gaming machine patron the non-cash portion of a jackpot win within three days in breach of section 1.23A of the Code. This resulted in disciplinary action against the licensee by way of a monetary penalty.
- A licensee's ongoing eligibility to hold a gaming machine licence. The gaming machine licence was cancelled as the club was no longer an eligible club and failed to comply with a condition of the licence. Namely, use the gaming machines, as the club had not operated for over three months. This decision was appealed to the ACT Civil and Administrative Tribunal (ACAT) by the licensee with the Commission's decision to cancel the gaming machine licence being confirmed by ACAT.
- An allegation that some staff members of a venue were accessing gaming machines and making entries in machine access registers while they were not Approved Attendants in contravention of sections 71 and 128 of the *Gaming Machine Act 2004*. The investigation revealed numerous breaches of sections 71(4) and 128(1). Additionally, the licensee failed to comply with a condition of its licence in respect of Code of Practice staff training requirements and breaches of the licensee's control procedures. The investigation resulted in warnings being issued to 3 staff members, disciplinary action being taken against 1 staff member by way of a 7 day suspension and a 72 hour suspension of the licensee's gaming machine licence.
- 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 is satisfied of the club's eligibility to hold a licence. This matter is ongoing at the time of publication.



- Four separate investigations were conducted into persons accessing gaming machines and making entries in machine access registers while they were not Approved Attendants in contravention of sections 71 and 128 of the *Gaming Machine Act 2004*. These investigations revealed a number of breaches of sections 71(4) and 128(1) of the Act and resulted in warnings being issued to three individuals and the licensees of the premises involved.
- At the request of the Treasurer and then Minister for Gaming and Racing, an investigation was conducted into possible breaches of the *Gaming Machine Act 2004* in relation to the proposed sale of the Canberra Labor Club Group. The investigation concluded that no breach of the *Gaming Machine Act 2004* had occurred in relation to the proposed sale. A comprehensive investigation report together with a recommendation to review club governance arrangements was provided to the Minister for Gaming and Racing. The Commission's findings and recommendations were accepted by the Minister.

Disciplinary Action Against Gaming Machine Licensees

In the event of a breach of the legislation being identified by the Commission, 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 8 licensees for 15 breaches of the legislation during the reporting period (compared to disciplinary action against 21 licensees for 56 breaches last year).

A gaming machine licence suspension that was imposed as a disciplinary penalty is continuing at the time of this report.



The following table summarises disciplinary matters.

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
Italo Australian Club (ACT) Limited	57(1)	failure to comply with a direction in a reprimand	Licence suspension for 4 days
Italo Australian Club (ACT) Limited	39	failing to comply with a condition of the licence – failure to comply with the Code of Practice (s1.23A) in respect of the payment of non-cash winnings to a patron within 3 days of the winning event.	\$1500 penalty
Croatia Deakin Soccer Club Inc trading as Canberra Deakin Football Club	161	failure to pay monthly tax by due date (Aug 09)	\$2500 penalty (Appealed to ACAT – decision affirmed)
The Canberra Club Limited trading as The Canberra Club	161	failure to pay monthly tax by due date (July 09)	\$300 penalty
Schwartz Family Company Pty Ltd trading as Olims Canberra Hotel	162	failure to lodge monthly tax return by due date (Nov 09)	\$1500 penalty
Akuna Club Limited	39 51 146(g)	failing to comply with a condition of the licence failure to operate gaming machines no longer an eligible club	Cancellation of gaming machine licence (Appealed to ACAT – decision affirmed)
Canberra Raiders Sports Club Limited trading as West Belconnen Leagues Club	39 43 50 71 128	failing to comply with a condition of the licence in respect of section 43 and section 50 of the Act – failure to operate gaming machines and peripheral equipment in accordance with the licensee's rules and procedures – failure to comply with Code of Practice section 1.4 in respect of staff training requirements unauthorised persons making entries in machine access registers unauthorised persons accessing gaming machines	Notice of reprimand with Direction Suspension of the gaming machine licence for 72 hours
Canberra Irish Club Limited	161 162	failure to lodge monthly tax return by due date failure to pay monthly tax by due date (April 2010)	Notice of reprimand
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 failure to submit 2008/2009 income and expenditure statement by the due date	Notice of reprimand with Direction Suspension of gaming machine licence for 3 months (ongoing as at 30 June 2010)



Appeals Against Disciplinary Penalties

Two Commission decisions to take disciplinary action against a licensee were appealed to the ACT Civil and Administrative Appeals Tribunal (ACAT) during the reporting period:

- 1 related to the cancellation of a gaming machine licence on the basis that the licensee breached a condition of its licence by not operating its gaming machines and was no longer an eligible club; and
- 1 related to the imposition of a monetary penalty in respect of the late payment of monthly gaming machine tax.

Both of these matters were considered by ACAT and the Commission's disciplinary decision was confirmed by ACAT in respect of each matter.

Direction by the Minister

In accordance with section 6(5) of the *Gambling and Racing Control Act 1999* (the Control Act) the Commission must include in its annual report any direction issued by the Minister under section 6(3)(b) of the Control Act. In this regard the Minister issued a direction to the Commission on 22 February 2010 to provide to him as portfolio Minister for Gaming and Racing the Commission's completed report on its investigation into the possible breach of the *Gaming Machine Act 2004* by the Canberra Labor Club in relation to the proposed sale of the Clubs. The Minister outlined to the Commission that the direction was issued on the basis that there may be some concern that the secrecy provisions of the Control Act may prevent the Commission from providing its report to the Minister.

In accordance with the direction the Commission provided the Minister with its completed report on 26 February 2010.

Gaming Machine Related Complaints

The Commission received seven gaming machine related complaints during the reporting period. Three were substantiated and four were 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 2008-09 financial year is available on the Commission's web site.



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 2008-09 report records a total of \$13.8 million in club community contributions from \$98.6 million in net gaming machine revenue, the contributions being 13.97 per cent of the net gaming machine revenue. \$9.7 million or 70.10 per cent of contributions was provided to sport and recreation.

In 2007-08 a total of \$14.3 million was contributed to the community from net gaming machine revenue of \$100.3 million, the contributions being 14.30 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 2008-09 amounted to a total of \$61,157 of which \$45,252 was allocated to sport and recreation (73.99 per cent of total contributions). In 2007-08 total contributions from Hotels/Taverns was \$50,624.

Contact Officer: Mr James Mullan, telephone 6207 0359.

Interactive Gaming Regulation

In 2009-10 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 Limited. During the reporting period, Golden Casket Lotteries Corporation Limited was approved to sell Instant Scratch-It lottery products in the ACT for the first time.

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* also provides for a wide range of lottery-type activities such as trade promotion lotteries, raffles and Housie. Persons wishing to conduct a lottery in the ACT must apply in writing for approval.



Application fees must be paid and are calculated on the total prize value of the lottery that ACT residents are eligible to win. 6,122 permits were issued in 2009-10 (compared to 5,598 last year), as shown in the table below:

Type of Approval	Amount
Trade Promotion Lotteries	5,649
Raffles	445
Housie	11
Other	17
Total	6,122

A further 1,244 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 25 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 79 breaches of the *Lotteries Act 1964*;

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

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

- 2 related to the failure to make information available to patrons as required under section 1.25 of the Code of Practice;
- 1 related to the failure of the licensee to ensure that staff involved in the provision of gambling services had undergone approved training as required by section 1.4(1)(a); and
- 1 related to the failure to make the rules and conditions of the promotion available for inspection at the facility as required under section 1.30(6).

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



Lotteries Related Complaints Received

The Commission received 11 lotteries related complaints during the reporting period.

Two complaints were substantiated, eight complaints were not substantiated and one was out of the Commission's jurisdiction.

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	1
New Race Bookmaker's Agents Licence	0
Renewed Race Bookmaker's Agents Licence	0
Total current Race Bookmaking Licences as at 30 June 2010	18
Total current Race Bookmaker's Agents Licences as at 30 June 2010	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 as 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	1
Total current Sports Bookmaking Licences as at 30 June 2010	3
Total current Sports Bookmaker's Agents Licences as at 30 June 2010	11
Inactive Sports Bookmaking Licences as at 30 June 2010	1



A probity investigation associated with changes to the Board of Directors of ACTTAB Ltd was commenced and finalised during the reporting period. No adverse findings in relation to the proposed new director were revealed. A further change to the Board of ACTTAB Ltd was notified to the Commission in June 2010. The related probity investigation is expected to be finalised early in the 2010-11 financial year.

Licensee Sports Alive Pty Ltd was also the subject of two probity investigations in relation to Board appointments during the 2009-10 financial year. In both instances, no adverse findings were reported and both individuals were found to meet the statutory suitability requirements of the legislation.

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

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, pursuant to section 61W, became responsible for the collection and distribution of the race field charge and related ancillary functions. To fulfil these new responsibilities and functions the Commission established all necessary processes and mechanisms to assess and to provide, where appropriate, approval to licensed wagering operators to use ACT race field information. These processes also allow the Commission to establish an approval holder's liability to payment of the race field information charge.

Since commencement of the scheme, the Commission has received 54 requests for ACT race field information approval. As outlined in the table below, at the end of the reporting period the Commission had granted 49 approvals, two of which have subsequently been surrendered, while five requests are still under consideration pending the provision of further information by the applicants.

Type of Commission Activity	Number
Approvals to use ACT Race Field Information issued to 30 June 2010	49
Total current ACT Race Field Information approvals as at 30 June 2010	47
Approval to use ACT Race Field Information surrendered by applicant	2
Total pending applications to use ACT Race Field Information	5

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 to the ACT Racing industry and the 5 per cent administration fee retained by the Commission for the period 1 March 2010 (when the scheme commenced) to 30 June 2010 is as follows:

Entity	\$ Amount
Canberra Racing Club	375,395
Canberra Harness Racing Club	48,820
Canberra Greyhound Racing Club	85,266
Commission Administration Fee	26,813
Total	536,294



Cross-border Betting Issues

Since the end of the so-called "Gentlemen's Agreement" and the imposition of race field information charges by most Australian jurisdictions, including the ACT as of 1 March 2010, 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.

Aspects of recent decisions by the Federal Court of Australia 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.

Against this background, the Federal Government released the Productivity Commission's report of its inquiry into gambling in late June 2010. Among other things, the report observes that State-based race field legislation as it stands poses significant risks for effective competition in wagering with the potential to affect the long-term future of racing.

The Productivity Commission has also recommended, with respect to the racing and wagering industries, that if the current legislative regimes for race field product fees collapse over the next three years, a national funding model should be established based on Federal legislation and with an independent price-setting body. The Productivity Commission also notes that while there are sound reasons for retaining totalisator exclusivity, arguments underpinning the retention of TAB retail exclusivity are not compelling.

The ACT continues to closely monitor the situation particularly in relation to 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 did not identify any breaches of the *Race and Sports Bookmaking Act 2001*, the *Gambling and Racing Control (Code of Practice) Regulation 2002* in the context of wagering licenses or the *Racing Act 1999*.

Betting Disputes

Matters of disputes 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 one betting dispute. The dispute was later withdrawn at the request of the complainant.

**Sports Bookmaker Complaints**

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

Race Bookmaker Complaints

During the reporting period the Commission did not receive any complaints in relation to Race Bookmakers.

ACTTAB Related Complaints

The Commission received one complaint relating to ACTTAB Keno. The complaint was not substantiated.

Unlawful Gaming

During the reporting period the *Unlawful Games Act 1984* was repealed and the *Unlawful Gambling Act 2009* commenced. No breaches of the *Unlawful Games Act 1984 (repealed)* or the *Unlawful Gambling Act 2009* were identified.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

Complaints Summary**Summary of Complaints Concerning Gambling Providers**

Complaints received by the Commission (as detailed above) can be summarised as follows for the period.

Gambling Provider	Received	Substantiated	Not substantiated	Ongoing	Referred to other agency	Withdrawn
Casino	0	0	0	0	0	0
Gaming Machines	7	3	4	0	0	0
Lotteries	11	2	8	0	1	0
Racing and Wagering	0	0	0	0	0	0
Unlawful Games	1	0	1	0	0	0
Total	19	5	13	0	1	0

There were no ongoing or outstanding complaints at the end of the 2008-09 reporting period.

A.9.2 Legislative Reviews

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

Unlawful Games Act 1984

A review of the *Unlawful Games Act 1984* commenced at the beginning of 2007. The Commission undertook two periods of public consultation where stakeholders and community members were invited to provide submissions in relation to this review. A Discussion Paper was circulated in February 2007 before the Commission developed a comprehensive Policy Paper outlining the major policy issues and making recommendations for legislative changes. In August 2009 the Commission finalised the Policy Paper and the Government accepted all of the Commission's recommendations.

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 one period of public consultation where stakeholders and community members were invited to provide submissions in response to an Issues Paper. These submissions will be considered by the Commission in the development of draft recommendations and there will be further consultation in 2010-11 prior to the finalisation of recommendations.



Race and Sports Bookmaking Act 2001

The Commission's review of the *Race and Sports Bookmaking Act 2001* has been on hold pending the allocation of resources to progress this matter.

Lotteries Act 1964 and 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 allocation of resources to progress this matter.

A.9.3 Legislative Amendments

There were a number of legislative amendments completed during the reporting period as outlined below.

Unlawful Gambling Act 2009

A new *Unlawful Gambling Act 2009* was drafted following the finalisation of the review of the *Unlawful Games Act 1984*. This new Act replaced the *Unlawful Games Act 1984* and two other outdated Acts (the *Games, Wagers and Betting Houses Act 1901* and the *Gaming and Betting Act 1906*). The *Unlawful Gambling Act 2009* was passed by the Legislative Assembly in November 2009 and along with its subordinate legislation commenced in March 2010.

Racing Act 1999

In November 2009 legislation was introduced to the Legislative Assembly to amend the *Racing Act 1999* and provide for an ACT race field information scheme administered by the Commission. The Commission was involved in the development of the legislative amendments for the scheme and has been responsible for its implementation.

Contact Officer: Mrs Jane Nielson, telephone 6207 0359.

A.9.4 Monitoring and 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

During 2009-10 the Centre undertook a prevalence survey of the extent and nature of gambling in the ACT. (The previous prevalence study was published in 2001.) It is anticipated that the report from the survey will be published in the first part of 2010-11.

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 two reports during 2009-2010:

- A Review of Australian Gambling Research – Implications for inter-jurisdictional public policy and regulation (update report); and
- The Definition and Predictors of Relapse in Problem Gambling.



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

- children at risk of developing problem gambling;
- exploring Indigenous gambling;
- gambling and the impact of new and emerging technologies and associated products;
- the influence of venue characteristics on a player's decision to attend a gambling venue;
- factors that influence gambler adherence to pre-commitment decisions (Phase 2);
- youth and gambling;
- gambling and culturally and linguistically diverse communities;
- gamblers at risk and their help seeking behaviour; and
- gambling and co-morbid disorders.

These research projects will be finalised over various timeframes ranging from 6 to 24 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 Ministerial Council on Gambling;
- the Ministerial Council on Gambling Officials' Group;
- the Gaming Machine National Standard Working Party;
- the Australian Lottery Regulators' Working Party;
- the Art Unions, Raffles and Trade Promotion Lottery Working Party; and
- the Community and Disability Services Ministers Advisory Council – Gambling 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 2009 and Darwin in June 2010. 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 two occasions 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 reports to the Ministerial Council on Gambling (MCG), initially established 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.

This program focuses on the MCG's new priority areas (see MCG section below) and in November 2009 the GRA held a two day forum to engage a diverse range of stakeholders in the development of research topics for the program. The ACT participated in the stakeholder forum and three meetings of the GRA during the reporting period.

Ministerial Council on Gambling and the Ministerial Council on Gambling Officials' Group

The Commission supports the Minister for Gaming and Racing in the activities associated with the Ministerial Council on Gambling (MCG). The MCG met in July 2009 and agreed to:

- develop a national policy standard for pre-commitment;
- develop a national regulatory and legal framework to ban the provision and advertising of commercial credit for gambling by third parties (such as pay day lenders) in gaming venues and online wagering services;
- restrict advertising of free bets by online wagering operators; and
- principles for the conduct of responsible gaming machine activity in clubs and hotels.



Ministers agreed to further work by the MCG's working groups in a number of other areas including national electronic gaming machine consumer protection principles, a national screening tool for use by doctors, financial counsellors and other support services and harm minimisation measures for online wagering. The ACT has actively participated in all five working groups that are progressing these areas.

The Commission is represented on the MCG Officials' Group which coordinates the development of MCG proposals and implementation of MCG decisions. The MCG Officials' Group had one teleconference during the reporting period.

A copy of the July 2009 MCG communiqué and the national snapshot of harm minimisation strategies are available via the Australian Government's Department of Families, Housing, Community Services and Indigenous Affairs' website (<http://www.facsia.gov.au/sa/gamblingdrugs/progserv/problemgambling>).

Gaming Machine National Standard Working Party

The Gaming Machine National Standard Working Party meets quarterly and 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.

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 recently established 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.

Community and Disability Services Ministers Advisory Council (CDSMAC) - Gambling Working Party (GWP)

The Commission as well as a representative from the Department of Disability, Housing and Community Services represent the ACT on the CDSMAC – GWP. In addition to overseeing the national 1800 number for gambling help and the development of the online gambling counselling support program, the CDSMAC – GWP has focused on early intervention and the development of a national screening tool. More broadly, this working party provides a forum for jurisdictions to share information on public education campaigns, indigenous gambling issues and treatment services for problem gamblers. The ACT participated in all four meetings of the CDSMAC – GWP during the reporting period.

A.9.5 Education, Prevention and Support

Education and Public Awareness Initiatives

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



In May 2010, 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 last year. 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.

The following information and education brochures continue to be distributed by the Commission to gaming venues and service providers such as Lifeline 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.*

Australian Online Gambling Counselling and Support Program

The Australian Online Gambling Counselling and Support Program was formally launched on 8 October 2009. The free service – gamblinghelponline.org.au – operates 24 hours a day, seven days a week 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. Since commencing live operation the website has received over 12,853 visitors and delivered over 600 live online counselling sessions.

This service is a world first and is funded by all jurisdictions under a Memorandum of Understanding (MOU) which will be in force until 30 June 2011. Under the terms of agreement of the MOU, all jurisdictions will contribute funding to establish the program based on each jurisdictions' contribution to national gambling expenditure. The Commission has been actively involved in the working group for this program and has participated in all meetings held by the working group during the reporting period.



National Gambling Helpline 1800 Number

At the MCG 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 new national number is 1800 858 858 and 19,635 callers have used the number over the period July 2008 – March 2010 (including 132 from the ACT). The Commission has been incorporating the new 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.

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 2009-10 and 2008-09 for comparison. The table gives the percentage change in the 2009-10 result relative to the 2008-09 result.

	INDICATOR	2009-10 Result	2008-09 Result	% Change
ECONOMIC	Employee Expenses			
	▪ Number of staff employed (head count, not FTE)	▪ 28	▪ 31	▪ (9.7)
	▪ Total employee expenditure (dollars)	▪ 2.329m	▪ 2.585m	▪ (9.9)
	Operating Statement [Ⓢ]			
ENVIRONMENTAL	▪ Total expenditure (dollars)	▪ 3.473m	▪ 3.672m	▪ (5.4)
	▪ Total own source revenue (dollars)	▪ 0.243m	▪ 0.202m	▪ 20.3
	▪ Total net cost of services (dollars)	▪ (3.23m)	▪ (3.47m)	▪ (6.9)
	Economic Viability			
	▪ Total assets (dollars)	▪ 9.883m	▪ 9.733m	▪ 1.5
	▪ Total liabilities (dollars)	▪ 4.856m	▪ 5.879m	▪ (17.4)
	Transport			
	▪ Total number of fleet vehicles	▪ 2	▪ 2	▪ 0
	▪ Total transport fuel used (kilolitres)	▪ 0.712	▪ 0.818	▪ (13)
	▪ Total direct greenhouse emissions of the fleet (tonnes of CO ₂ e)	▪ 1.76	▪ 2.02	▪ (12.9)
ENVIRONMENTAL	Energy Use			
	▪ Total office energy use (megajoules)	▪ 347,125	▪ 561,662	▪ (38.2)
	▪ Office energy use per person (megajoules)	▪ 12,856	▪ 19,104	▪ (32.7)
	▪ Office energy use per m ² (megajoules)	▪ 654	▪ 1,058	▪ (38.2)
	Greenhouse Emissions			
	▪ Total office greenhouse emissions - direct and indirect (tonnes of CO ₂ e)	▪ 69.05	▪ 67.67	▪ 2
	▪ Total office greenhouse emissions per person (tonnes of CO ₂ e)	▪ 2.56	▪ 2.30	▪ 11.3
	▪ Total office greenhouse emissions per m ² (tonnes of CO ₂ e)	▪ 0.13	▪ 0.13	▪ 0
	Water Consumption			
	▪ Total water use (kilolitres)	▪ 483	▪ 313	▪ 54.3
ENVIRONMENTAL	▪ Office water use per person (kilolitres)	▪ 17.9	▪ 10.65	▪ 68.1
	▪ Office water use per m ² (kilolitres)	▪ 0.91	▪ 0.59	▪ 54.2
	Resource Efficiency and Waste			
	▪ Total co-mingled office waste to landfill per FTE	▪ 1,035	▪ 1,047	▪ (1.1)
	▪ Total paper recycled (cubic metres)	▪ 10.6	▪ 6.4	▪ 65.6
	▪ Total paper used (by reams) per FTE	▪ 18.1	▪ 18.3	▪ (1.1)
	▪ Percentage of paper recycled (%)	▪ 28	▪ 22.6	▪ 5.4



	INDICATOR	2009-10 Result	2008-09 Result	% Change
SOCIAL	The Diversity of Our Workforce			
	▪ Women (Female FTEs as a percentage of the total workforce)	▪ 42.9	▪ 51.6	▪ (8.7)
	▪ People with a disability (as a percentage of the total workforce)	▪ 0	▪ 0	▪ 0
	▪ Aboriginal and Torres Strait Islander people (as a percentage of the total workforce)	▪ 0	▪ 0	▪ 0
	▪ Staff with English as a second language (as a percentage of the total workforce)	▪ 0	▪ 0	▪ 0
	Staff Health and Wellbeing			
	▪ OH&S Incident Reports	▪ 1	▪ 1	▪ 0
	▪ Accepted claims for compensation (as at 31 August 2010)	▪ 0	▪ 1	▪ (100)
	▪ Staff receiving influenza vaccinations	▪ 21 ^②	▪ 8	▪ 162.5
	▪ Workstation assessments requested	▪ 5	▪ 12	▪ (58)

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

② Includes H1N1

Section B: Consultation and Scrutiny Reporting

B.1 Community Engagement

Community engagement plays a major role in the Commission achieving its obligations under its Strategic Plan and Client Service Charter by satisfying stakeholder expectations and providing high quality outputs.

The Commission has undertaken considerable community engagement throughout the reporting period in respect of research, education and legislative reviews as well as through the convening of its Gambling Advisory Reference Group.

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:

- Mr Greg Jones - ACT Gambling and Racing Commission (Acting Chair);
- Ms Roslyn Dundas - ACT Council of Social Services;
- Dr Roger Mauldon - ACT Churches Council;
- Mr Paul Flint - Council on the Ageing;
- Ms Amanda Tobler – Lifeline Canberra Incorporated; and
- Mr Paul Guinane – Lifeline Canberra Incorporated.



B.1.2 Community Consultation

The following table summarises the nature and extent of formal community consultation undertaken by the Commission during the reporting period or undertaken on reports finalised in the reporting period.

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.	Gambling Advisory Reference Group	As recommended by the Needs Analysis Survey Report, the Advisory Reference Group was formed to assist the Commission in developing and implementing targeted strategies to address problem gambling in the ACT.	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).	6 participants.	Formal meetings held each year and discussions with key stakeholders.
2.	Unlawful Gambling Act 2009 – declaration of “exempt” unlawful games	The <i>Unlawful Gambling Act 2009</i> (the Act) provides for the Commission to declare certain games as “exempt” unlawful games. This provision is intended to create certainty about a particular game where there may be some doubt if it falls under the general description. It also allows the declaration of common non-gambling games to be exempt where otherwise they may have inadvertently been captured by the general description.	A small number of stakeholders were concerned about the potential coverage of the Act. The Commission agreed to undertake targeted consultation in the development of the list of “exempt” games to ensure that their concerns were addressed.	The relevant stakeholders were provided with drafts of the disallowable instrument (and the explanatory statement) for comment.	The documents were sent to the stakeholders on 5 February 2010 and they were asked to respond as soon as possible. Responses were received by 11 February 2010.	2 stakeholders.	The stakeholders were comfortable with the Commission's proposal.
3.	Review of the Governance Provisions of the Gaming Machine Act 2004	As requested by the Minister for Gaming and Racing, the Commission commenced a review of the Governance Provisions of the <i>Gaming Machine Act 2004</i> .	To seek industry and community perspectives on club governance, which will be taken into consideration when the Commission develops its recommendations.	The Commission: <ul style="list-style-type: none"> • advertised the review and consultation period in <i>The Canberra Times</i> and on the Commission's website; • conducted a mail out to advise key industry and community stakeholders of the consultation period; and • the Commission participated in an industry facilitated seminar on the review. 	1 May 2010 to 11 June 2010.	10 submissions were received.	The Commission acknowledged each submission in writing. This review will continue into 2010-11 and involve further consultation. At the conclusion of the review all persons who have made a submission will be advised of the outcomes of the review.



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.

There were two matters referred to the ACAT for review during the reporting period which are described in 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 2009-10 Financial Report and Statement of Performance with no significant matters identified during the process (see sections A.6 and A.7).

B.3 Legislative Assembly Committee Inquiries and Reports

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

Legislative Committee	Report No	Title	Date Presented
Standing Committee on Public Accounts	7	Annual and Financial Reports 2008-2009	March 2010

The Annual and Financial Reports 2008-2009 can be viewed via the following link:

<http://www.parliament.act.gov.au/committees/index1.asp?committee=116&inquiry=854>

Legislative Committee	Report No	Title	Date Presented
Select Committee on Estimates 2010-2011	1	Appropriation Bill 2010-2011	June 2010
Recommendation	Government Reponse		Departmental Implementation
Recommendation 47 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 Commission's review was ongoing at 30 June 2010. Once completed the report of the review will be forwarded to the Minister for Gaming and Racing.

The Appropriation Bill 2010-2011 can be viewed via the following link:

<http://www.parliament.act.gov.au/committees/index1.asp?committee=165&inquiry>



B.4 Legislation Report

Legislation

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 and Internal Audit

The Commission has developed a comprehensive risk management assessment of all its key processes and procedures and produced a Risk Management Plan in accordance with *AS/NZS 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 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 2010 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.

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:

- those that are freely available on request and without charge; and
- all other kinds of documents that may be available under the FOI Act.

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.

Documents of other kinds that may be available under the FOI Act:

- general files including internal, interdepartmental and public documents, minutes of Commission meetings, policy statements, financial and staffing estimates;
- diaries, rosters, work sheets;
- program and policy files;
- records held on microfilm, computer or paper in connection with specialised divisional functions;
- photographs, videos and films;
- financial and accounting records;
- files on applicants and clients;
- records of government including the machinery of government;
- leases and deeds of agreement; and
- brochures.

Facilities for Access

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

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

All FOI enquiries for the Commission should be directed to:

The FOI Coordinator
ACT Gambling and Racing Commission
PO Box 214
CIVIC SQUARE ACT 2608
or via email at grc@act.gov.au or by telephoning the Commission direct 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)

During the reporting period the Commission received two requests under section 18 of the FOI Act.

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
2	2	-	-	-	-	-

Access decisions

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

Decisions appealed

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

Referrals to the ACT Civil and Administrative Tribunal (ACAT)

Requests to ACAT	Affirmed	Overturned	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
1	1	-	-	-

Request to amend personal records (section 48)

Requests	Affirmed	Overturned	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 are approved by the Minister for Gaming and Racing. The Standing Committee on Public Accounts is consulted on all non-executive member appointments in accordance with section 228 (Consultation with appropriate Assembly Committee) of the *Legislation Act 2001*. The *Gambling and Racing Control Act 1999* prescribes that of the four non-executive members of the Commission "one shall have knowledge, experience or qualifications related to providing counselling services to problem gamblers". The appointment of Dr Mark Doverty has ensured compliance with this criterion.

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

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

The following table summarises Commission members' attendance at meetings from July 2009 to June 2010.

ACT Gambling & Racing Commission Members' Attendance at Meetings - July 2009 to June 2010

	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 2010.

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

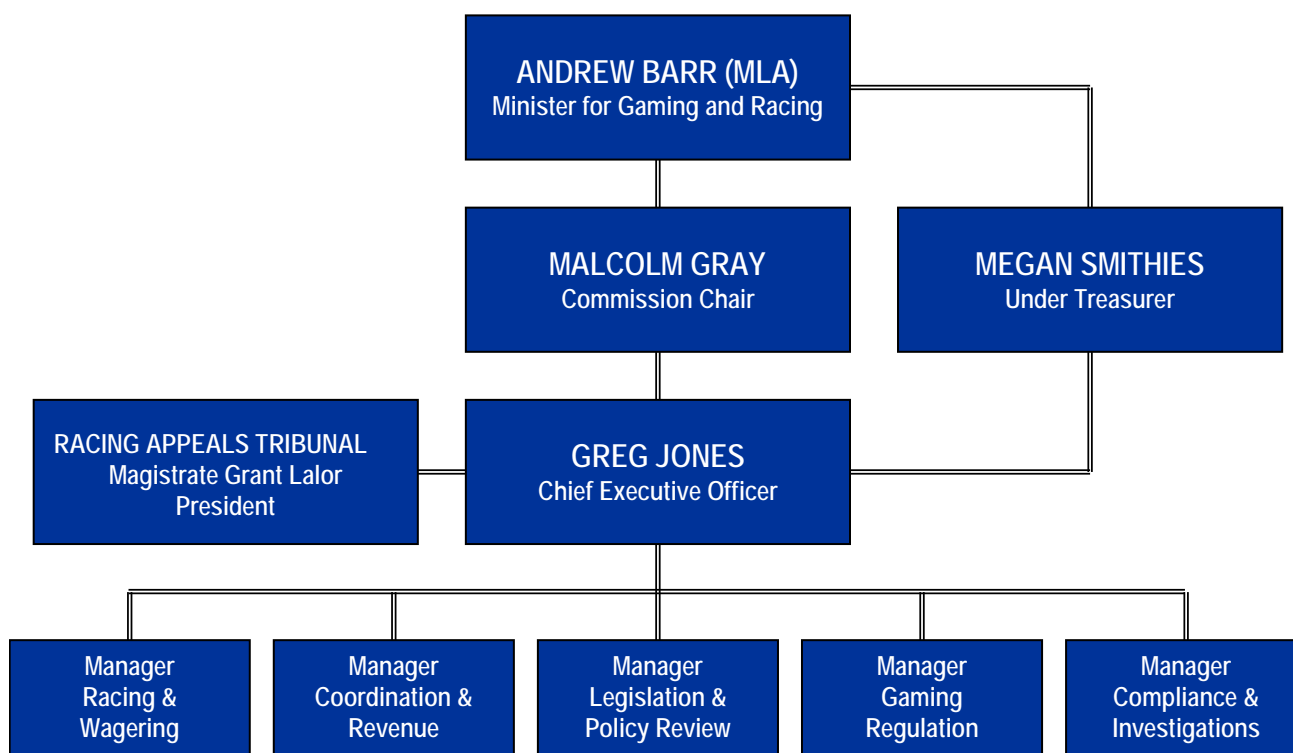
The Commission has adopted the ACT Public Service Code of Ethics.



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 2005 for a period of five years)	BA (Hons)	Mr Jones was 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. Recent achievements included 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 is identified in the following Organisation Chart.



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

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

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

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

An internal audit program, prepared by the Commission on a risk analysis basis is 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	11	16
Headcount by Gender	12	16
% of Workforce	42.9%	57.1%

Employment Type		
Permanent	Temporary	Casual
26	2	0

Classifications			
Classification Group	Female	Male	Total
Executive Officers	0	1	1
Senior Officers	3	8	11
Administrative Officers	9	7	16
Total	12	16	28

Employment Category by Gender			
Employment Category	Female	Male	Total
Permanent Full Time	9	14	23
Permanent Part Time	3	0	3
Temporary Full Time	0	2	2
Total	12	16	28



Average length of service by Gender			
Years	Female	Male	Total
0 to 2 years	0	4	4
2 to 4 years	2	2	4
4 to 6 years	2	1	3
6 to 8 years	6	2	8
8 to 10 years	1	3	4
10 to 12 years	0	0	0
12 to 14 years	1	0	0
14+ years	0	4	4
Total	12	16	28

Total Average Length of Service by Gender	
Gender	Average length of service
Female	6.7
Male	9.5
Total	8.3

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

Agency Profile	
FTE	Headcount
27	28

Equity and Diversity				
	Indigenous %	CALD %	Disability %	Women %
Headcount	0	0	0	12
% Total of Staff	0	0	0	42.9



C.8 Learning and Development

The Commission has continued to make learning and development a key priority during 2009-10. A summary of courses attended by Commission staff is outlined in the following table:

Learning & Development Initiative	No. of participants
Records Management	23
Writing for Government	4
The New Supervisor	2
Dreamweaver	2
Certificate IV – Government Investigations	2
Microsoft Excel – Intermediate	1
Getting there first	1
Administrative Law	1
Introduction to FOI	1
Job Application Skills	1
Job Interview Skills	1
Senior First Aid	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 an economics qualification.

The 2009-10 ACTPS Training Calendar was also utilised as part of the Commission's training and development scheme with eleven staff members attending ACTPS courses at a cost of \$3,169.

Staff have also engaged in non-formal activities such as:

- participation and presentation at national regulatory and industry conferences and forums relevant to their workplace;
- small group learning based around specific gambling-related compliance activities; and
- responsible gambling and problem gambling awareness training.

Learning and development will remain a key focus for the Commission to assist staff members in growing their knowledge and skills. This will ensure that the Commission maintains an appropriately skilled workforce to assist in achieving its objectives as outlined in section A.1.3 of this report.



C.9 Workplace Health and Safety

Injury Prevention

The Commission is conscious of the requirements of work safety legislation and implements appropriate work practices particularly in relation to staff workloads, provision of furniture and other office environmental matters. The Commission's Work Safety Policy has been documented and disseminated to all staff.

The Commission remains committed to maintaining the health and safety of its employees and has two trained work safety representatives. Workplace Health and Safety is managed in accordance with the provisions of the *Work 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.

The Commission did not receive any notices of non compliance or any notices issued under sections 16 or 170 of the WS Act. No report 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 wellbeing initiatives:

- flu vaccination program;
- flexible working arrangements;
- employee assistance program;
- eyesight testing;
- seated massages; and
- exercise classes, yoga and pilates.



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 ¹	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 ²	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. One Commission employee is employed under an SEA and is currently acting in a non SEA position and is therefore not included within this table.
2. 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	\$114,760 - \$118,357

C.11 Strategic Bushfire Management Plan

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 \$525,000 for the period with no significant assets added or removed from its register.

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

C.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
Research into Gambling	Gambling and Problem Gambling Research Projects	\$32,714	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
Gaming Machine Database Solution	Development and support of a new gaming machine database	\$60,000	Open tender	N/A	April 2010

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).

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.

23 Commission staff attended an in-house records management training seminar provided by CIT Solutions. This training provided employees with an understanding of the record keeping requirements of the ACT Public Service, including complying with legislative requirements. Standards, guidelines and advice issued by the Territory Records Office are available to all staff.



C.17 Human Rights Act 2004

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

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

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

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

C.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 2010-2013

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

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

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

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

- Older People & Aged Care, Intercultural Harmony and Religious Acceptance
Multicultural community groups throughout the Territory are invited to participate in all gambling-related legislative reviews conducted by the Commission. Access to these reviews and other Commission activities is carefully considered and is covered in further detail under Section B.1 Community Engagement. Further, the Commission's Gambling Advisory Reference Group includes members of the Council on the Ageing, ACT Churches Council and the Canberra Multicultural Community Forum Incorporated.

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 and Torres Strait Islander Reporting

To date it has not been necessary for the Commission to become specifically involved in any activities regarding identified strategic areas for action and strategic change indicators as stated in the 'Overcoming Indigenous Disadvantage Report'.

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. The figures reported below 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	2008-2009		2009-2010	
	General					
A	Occupancy – office staff full-time equivalent	Numeric (FTE)	29.4		27	
B	Area office space – net lettable area	Square metres (m ²)	531		531	
	Stationary energy use					
	Electricity use (total)	Kilowatt hours	101,486		98,460	
X	Electricity use (office)	Kilowatt hours	51,324		56,984	
Y	Renewable energy use (GreenPower)	Kilowatt hours	5,132		18,438	
	Percentage of renewable energy used (Y / X x 100)	Percentage	10%		18.73	
	Gas use (total)	Megajoules	196,312		141,980	
	Gas use (office)	Megajoules	196,312		unavailable	
C	Total office energy use	Megajoules	561,662		347,125	
	Intensities (office)					
	Energy intensity per office FTE (C / A)	Megajoules / FTE	19,104		12,856	
	Energy intensity per square metre (C / B)	Megajoules / m ²	1058		654	
	Transport Energy		Office	Other	Office	Other
D	Total number of vehicles	Numeric	2	-	2	-
	Transport fuel (Petrol)	Kilolitres	0.818	-	0.712	-
E*	Total transport energy use	Gigajoules	27.98	-	24.35	-
	Water Consumption					
	Water use (total)	Kilolitres	313		483	①
F	Water use (office)	Kilolitres	313		483	①
	Intensities (office)					
	Water use per office FTE (F / A)	Kilolitres / FTE	10.65		17.90	
	Water use per square metre floor area (F / B)	Kilolitres / m ²	0.59		.91	
	Waste					
	Reams of paper purchased	Reams	530		489	
	Recycled content of paper purchased	Percentage	50		50	
**	Estimate of general waste	Litres	30,790		27,950	
**	Estimate of comingled material recycled	Litres	unavailable		6,211	
**	Estimate of waste paper recycled	Litres	3,984		6,266	
**	Estimate of secure paper recycled	Litres	2,416		4,320	
	Office Greenhouse Emissions					
*	Direct greenhouse gas emissions (Scope 1)	Tonnes CO ₂ -e	10.07		7.28	
*	Indirect greenhouse gas emissions (Scope 2)	Tonnes CO ₂ -e	46.01		52.06	
*	Other indirect greenhouse gas emissions (Scope 3)	Tonnes CO ₂ -e	11.59		9.71	
G*	Total office greenhouse gas emissions (All Scopes)	Tonnes CO ₂ -e	67.67		69.05	



	Indicator as at 30 June	Unit	2008-2009	2009-2010
Transport Greenhouse Emissions				
*	Direct greenhouse gas emissions (Scope 1)	Tonnes CO ₂ -e	1.87	1.63
*	Indirect greenhouse gas emissions (Scope 2)	Tonnes CO ₂ -e	-	-
*	Other indirect greenhouse gas emissions (Scope 3)	Tonnes CO ₂ -e	0.15	0.13
H*	Total transport greenhouse gas emissions (All Scopes)	Tonnes CO ₂ -e	2.02	1.76
Greenhouse Gas Intensities				
	Office greenhouse gas emissions per person (G / A)	Tonnes CO ₂ -e / FTE	2.30	2.56
	Office emissions per square metre (G / B)	Tonnes CO ₂ -e / m ²	0.13	0.13
	Transport greenhouse gas emissions per person (H / A)	Tonnes CO ₂ -e / FTE	0.07	0.07

* = calculated with information entered into OSCAR

** = based on bins collected

① estimate only no readings taken by ACTEWAGL for the 2009-10 financial year

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:

- sign up to the Office Smart Program coordinated by the Department of the Environment, Climate Change, Energy and Water;
- lights out after office hours;
- purchasing recycled stationery items where possible;
- reducing paper consumption via double sided printing/photocopying;
- use of the photocopiers scanning and email facility where appropriate; and
- use of recycling bins for waste paper and comingled waste products.

Additionally building management has implemented the following during the reporting period:

- smart metering installed on house power;
- further increase in bicycle parking facilities for Nara Basement to facilitate the demand in alternative transport; and
- engaged ANU GreenSteps students to undertake reporting on Waste, Energy and Water usage in the Canberra NARA Centre.



C.22 ACT Women's Plan 2010-2015

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

The Commission has addressed the following key priority areas of the plan during the reporting period.

- Responsive education, training and lifelong learning
Education and training is a key focus for all Commission staff especially for women returning to the workforce after raising a family.
- Flexible workplaces
The Commission provides its female staff members with a flexible workplace by offering part-time positions 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 (ACTGS).

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 ACT Government Solicitor's office which reviews instructions to ensure compliance with the guidelines. The Commission is able to rely upon the ACTGS 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 ACTGS through the Chief Executive.

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



APPENDICES

Annexed and Subsumed Reports



Annual Report of the Racing Appeals Tribunal

Functions

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

Contact

Registrar of the Tribunal
Mr Gavan Desmond
Manager, Racing and Wagering
Gambling and Racing Commission

Phone: (02) 6207 0382

Fax: (02) 6207 7372

The members of the Tribunal for 2009-10 were:

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

On 27 November 2009 the appointment of Mr Darryl Hart as an assessor to the Tribunal expired. No new assessor has been appointed to the Tribunal.

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

No appeals were lodged with the Tribunal during the reporting period.

Matters Heard by the Tribunal

No matters were heard by the Tribunal during the reporting period.



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Glossary of Abbreviations, Acronyms and Technical Terms

ACAT	ACT Civil & Administrative Tribunal
ACTGS	ACT Government Solicitors
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

