

**2025**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**ELEVENTH ASSEMBLY**

**ACT Auditor-General Report No. 4**

**Gaming Machine Licensee**

**Regulation**

**Government Response**

**Presented by  
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## **Introduction**

The Government thanks the Auditor-General for the Report No 4 of 2025 – Gaming machine licensee regulation (the Report). This Report considers the Gambling and Racing Commission's planning, delivery and review of its activities to encourage gaming machine licensees' compliance with legislative requirements. The audit focused on activities since September 2020, which was when the GRC commenced planning for a significant compliance program across gaming machine licensees (the multifocal compliance program). The Report was presented to the Speaker of the Legislative Assembly for tabling on 27 June 2025.

### **Overarching Comments:**

The Government acknowledges the findings and recommendations in the Report and the intent of those recommendations to assist with the continuous improvement of the ACT Gambling and Racing Commission's (the Commission) operations. The Government supports the ongoing efforts of the Commission to enhance its regulatory, compliance, and governance frameworks.

The Government recognises the Commission's commitment to continuous improvement, as demonstrated through the development of strategic planning documents, the refinement of performance indicators, and the strengthening of oversight mechanisms. These initiatives reflect a proactive approach to regulatory stewardship and align with broader public sector expectations for transparency, accountability, and evidence-based decision-making.

The Government also notes the collaborative work underway between the Commission and Access Canberra to improve regulatory governance. This includes the implementation of a case management framework, enhancements to data collection and reporting processes, and the development of tools to support consistent and effective compliance monitoring.

Where recommendations require further analysis, system development, the Government supports a phased and considered approach. This ensures that any changes are appropriately aligned with statutory obligations, operational capacity, and contemporary regulatory practice.

The Government remains committed to supporting the Commission in its role as an independent regulator and acknowledges the importance of maintaining public confidence in the integrity and effectiveness of gambling regulation in the Territory.

## **Government responses to the Performance Audit Report's recommendations**

### **Recommendation 1: Gambling and Racing Commission Board**

*The Gambling and Racing Commission Board should ensure meeting minutes effectively document the conduct of Board meetings and provide a sufficient basis for Board decisions.*

#### **Government Response – Agreed**

It is essential that Board meeting minutes comprehensively and accurately document the conduct of meetings and provide a clear and sufficient basis for Board decisions. This practice supports transparency, accountability, and informed governance. To support this, the Commission Board has implemented processes to ensure that meeting minutes are prepared in a timely manner, clearly reflect the discussions and decisions made, and are reviewed and endorsed as part of the Board's governance framework.

### **Recommendation 2: Internal audit activities**

*The Gambling and Racing Commission Board should:*

- a) enhance the effectiveness of its Audit and Risk Committee by including independent, appropriately qualified, member(s) separate to the Board; and*
- b) develop and implement a GRC-specific internal audit program to complement that undertaken by the Directorate that:
  - i) reflects the obligations of the GRC under section 6 of the Gambling and Racing Control Act 1999; and*
  - ii) considers risks associated with the administration of gaming laws and licensee non-compliance with the gaming laws.**

#### **Government Response –Agreed in principle**

The recommendation is agreed to in principle. Strengthening governance and assurance mechanisms through the inclusion of independent, appropriately qualified members on the Audit and Risk Committee and the development of a GRC-specific internal audit program is acknowledged as beneficial.

However, the Commission is subject to secrecy provisions under its governing legislation. These provisions must be carefully considered when assessing the feasibility of appointing independent members to the Audit and Risk Committee, to ensure compliance with statutory confidentiality requirements.

The Commission notes that it currently undertakes internal audits in response to risks identified by the Commission Board and the Audit and Risk Committee. These audits are targeted and risk-based, supporting the Commission's regulatory responsibilities.

Furthermore, within the context of the formation of the City and Environment Directorate, the Commission will consider the development of a formal internal audit program. This program will be designed to reflect the Commission's obligations under section 6 of the Gambling and Racing Control Act 1999, and address risks associated with the administration of gaming laws and licensee non-compliance.

### **Recommendation 3: Memorandum of Understanding between Gambling and Racing Commission and Access Canberra**

*The Gambling and Racing Commission Board and Access Canberra should review and amend the MoU, with a view to better articulating and describing in the MoU key matters including:*

- a) the services to be provided by Access Canberra and associated performance standards; and*
- b) regular and timely review processes, which focus on the delivery of services to agreed performance standards.*

#### **Government Response – Agreed**

The Commission agrees with the recommendation. A clearly articulated Memorandum of Understanding (MoU) between the Commission Board and Access Canberra is essential to ensure clarity around service delivery expectations, performance standards, and review mechanisms.

Work has already commenced on renegotiating the MoU, with a view to strengthening its provisions. This includes more clearly defining the services to be provided by Access Canberra, establishing associated performance standards, and incorporating regular and timely review processes focused on the delivery of services against those standards.

### **Recommendation 4: Planning for compliance with gaming laws**

*The Gambling and Racing Commission Board should:*

- a) continue its efforts to develop a strategic plan to guide the activities of the Board;*
- b) as part of developing future statements of expectations assess and document the risk of licensee non-compliance with gaming laws; and Summary Gaming machine licensee regulation Page 13; and*
- c) document and implement operational plans that address the risk of licensee non-compliance with gaming laws. (This may be through existing processes for annual work plans.)*

#### **Government Response – Agreed**

The Commission agrees with the recommendation. The development and implementation of strategic and operational planning frameworks are essential to guiding the activities of the Board and ensuring effective regulatory oversight.

The Commission has developed several strategic plans, including the Board Plan 2025–2028, the Commission’s Statement of Intent 2025–2026, and the Commission Statement of Expectations 2025–2026. The Board Plan 2025–2028 and Statement of Expectations 2025–2026 supports the implementation of the Statement of Intent, which outlines three strategic objectives and four key areas of focus.

To support its compliance and enforcement activities, the Commission has established, among others, a Compliance Business Plan that is strategically aligned with its priorities. This plan incorporates:

- Clearly defined Key Performance Indicators
- Proactive strategic risk management
- Robust operational governance frameworks
- Structured project delivery mechanisms

These elements ensure that compliance activities are purposefully directed toward achieving the Commission’s objectives and delivering measurable outcomes.

The Commission also assesses and documents the risk of licensee non-compliance with gaming laws through its strategic plans, governance frameworks, risk analysis documents, and compliance program plans. The Commission’s focus on documenting and implementing operational plans to address these risks is ongoing and continues to evolve through existing processes, including the development of business plans.

## **Recommendation 5: Annual work plans**

*The Gambling and Racing Commission Board should ensure its annual work plans include specific and measurable actions that are supported by clearly identified timeframes, roles and responsibilities and performance targets.*

### **Government Response – Agreed**

The Commission agrees with the recommendation. Strategic and operational planning is essential to guiding the Board's activities and managing regulatory risks.

For the 2025–2026 financial year, the Board has approved business plans for each team undertaking Commission functions. These plans align with the Commission's strategic direction and specifically address the risk of licensee non-compliance with gaming laws through targeted compliance and enforcement activities.

The Commission will continue to assess and document these risks as part of future statements of expectations and annual work planning processes.

## **Recommendation 6: Communication and engagement activities**

*The Gambling and Racing Commission Board should, as part of its forthcoming review of its communication and engagement planning, document and implement communication activities and initiatives that specifically:*

- a) address licensee compliance with gaming laws;*
- b) address feedback received from licensees and community stakeholders on compliance with gaming laws, and document its response to these issues; and*
- c) encourage sharing of better practice and lessons learned from licensee non-compliance and other jurisdictions.*

### **Government Response –Agreed**

The Commission agrees with the recommendation. One of the Commission's strategic objectives for the 2025–2026 financial year, as outlined in its Statement of Intent, is to communicate responsively and transparently with diverse external stakeholders and the community. To support this objective, the Commission is committed to placing reportable outcomes on the public compliance register promptly, proactively communicating program objectives and outcomes through quarterly newsletters and the website and addressing licensee feedback in a timely manner.

## **Recommendation 7: Approved training programs**

*The Gambling and Racing Commission Board should:*

- a) undertake periodic reviews of registered training providers to ensure they remain fit-forpurpose and continue to deliver training required to support licensee compliance with gaming laws; and*
- b) undertake periodic assessments of the content of approved training programs to ensure they remain relevant, comprehensive and up-to-date.*

### **Government Response – Agreed**

Under the *Gambling and Racing Control (Code of Practice) Regulation 2002*, staff directly involved in providing gambling services must complete an approved training program every three years. Venue-appointed Gambling Contact Officers (GCOs) are additionally required to complete an approved GCO training session for each appointment.

The Commission conducts regular three-year reviews of GCO training sessions, which are delivered by Access Recognised Training and Lifeline Canberra. The most recent review was completed in the 2024–2025 financial year following Access Recognised Training's successful tender. Lifeline Canberra's training, first delivered in 2022 with Commission support, is scheduled for review in late 2025.

Training programs vary depending on the type of gambling service provided, covering staff from Lottery outlets, Casino Canberra, Tabcorp ACT, and licensed clubs and hotels. In 2024, the Commission worked with The Lottery Corporation to update its training program. The Commission acknowledges that other training programs have not been updated for some time and will work with current providers over the next 12 months to ensure they remain relevant and aligned with auditor recommendations.

### **Recommendation 8: Legislative compliance risk assessment**

*The Gambling and Racing Commission Board should:*

- a) undertake a legislative compliance risk assessment that assesses the risks of licensee and GRC non-compliance with gaming laws; and*
- b) document, implement and monitor controls to address any unacceptable risks.*

### **Government Response –Agreed in principle**

The Commission agrees with the recommendation in principle. In progressing this work, the Commission will consider trialling the recommended approaches to assess their effectiveness and alignment with contemporary regulatory standards and practices. This will ensure any adopted measures are both fit-for-purpose and responsive to the Commission’s legislative and operational context.

### **Recommendation 9: Gambling exclusions breaches and incidents management**

*The Gambling and Racing Commission Board should formally establish and implement procedures to review the use of the ACT Gambling Exclusions Database. This should include:*

- a) consideration of the timeliness of reporting incidents of exclusion breaches and incidents of gambling harm by licensees; and*
- b) analysis of data related to breaches and incidents for the purpose of understanding licensee behaviours and informing the Commission's compliance activities.*

### **Government Response –Agreed in principle**

Entry of excluded individuals into gaming machine venues remains a significant compliance issue. The Commission intends to undertake the ACT Gambling Exclusion Database – excluded person Program in 2025-26. The program will enhance the Commission’s regulatory response by leveraging the ACT Gambling Exclusion Database to identify and address instances of unauthorised entry into licensed venues, building on insights from previous enforcement activity.

### **Recommendation 10: Licensing and registration**

*The Gambling and Racing Commission Board should:*

- a) implement formal procedures to guide the conduct of its licensing and registration processes to facilitate consistency in its assessment of applications; and*
- b) analyse data obtained through licensing and registration activities to understand trends with respect to licensee behaviour that could inform future regulatory and compliance activities.*

### **Government Response –Agreed**

The Commission continues to strengthen its governance practices. The Gaming Licensing team manages a range of complex licensing, authorisation, and registration transactions, supported by a suite of procedures aligned with relevant legislation. While some standard operating procedures are overdue for review—primarily due to the low-volume nature of the function—the team is actively updating and refreshing these as needed.

The Commission recognises the importance of analysing licensing and registration data to monitor trends and inform regulatory and compliance activities. Monthly reports from the Gaming Licensing team provide data on transaction volumes and progress on complex projects. This information is also shared with the Gaming Compliance team to support targeted regulatory responses.

### **Recommendation 11: Compliance activity effectiveness**

*The Gambling and Racing Commission Board should document and implement appropriate quality assurance and evaluation methodologies to assess the effectiveness of its compliance activities and programs.*

#### **Government Response –Agreed**

Strengthening quality assurance and evaluation methodologies is essential to ensuring the effectiveness of compliance activities and programs.

The Commission has made significant governance improvements, including the implementation of Key Performance Indicators (KPIs) to monitor performance and outcomes. These measures support a more structured and accountable approach to compliance oversight.

In parallel, Access Canberra is progressing work to implement a regulatory governance framework that includes enhanced case management capabilities. This will further support consistent, transparent, and effective regulatory practices across both organisations.

### **Recommendation 12: Oversight of investigations**

*The Gambling and Racing Commission Board should undertake a more active role in the oversight of investigations into potential non-compliance with gaming laws, through:*

- a) oversight and approval of investigation planning documentation at the commencement of investigations; and*
- b) review of regular written reports on the conduct of investigations.*

#### **Government Response – Agreed**

Establishing robust quality assurance and evaluation methodologies is essential to assessing the effectiveness of investigative activities.

The Commission has made significant governance improvements, including the implementation of Key Performance Indicators (KPIs) to monitor performance across compliance functions. These enhancements are complemented by strengthened Board oversight through improved meeting agendas briefings, clearer documentation of action items, and more comprehensive recording of meeting minutes.

In addition, the Board has recently conducted an assessment of investigation practices to ensure they remain contemporary, consistent with regulatory expectations, and aligned with best practice.

Access Canberra is also progressing the implementation of a regulatory governance framework, which includes enhanced case management processes. This will further support the Commission's ability to monitor, evaluate, and respond to compliance risks in a structured and transparent manner.

### **Recommendation 13: Outcomes Monitoring Framework**

*The Gambling and Racing Commission Board should use the Outcomes Monitoring Framework developed in 2022 to inform planning for its ongoing activities to encourage licensee compliance with gaming laws. This could include recognising data sources identified in the Framework to:*

- a) facilitate reporting on its effectiveness in encouraging licensee compliance; and*
- b) inform priorities for its activities to encourage licensee compliance.*

## **Government Response –Agreed**

The Commission will consider the learnings from the Outcomes Monitoring Framework developed in 2022 to inform the new gambling harm strategy (evaluation) and planning for its ongoing activities aimed at encouraging licensee compliance with gaming laws. As part of this evaluation, the Commission will consider the development of a performance, outcomes, and impact framework to support the Strategy

The Commission will explore how data sources identified in the Framework can be used to support reporting on the effectiveness of its compliance efforts and to inform future priorities. This approach will be assessed for its alignment with the Commission’s regulatory objectives and broader governance practices.

### **Recommendation 14: Annual reporting**

*The Gambling and Racing Commission Board should:*

- a) adopt Accountability Indicators that provide meaningful information on the performance of the GRC in encouraging licensee compliance with gaming laws;*
- b) faithfully and accurately report its performance in addressing complaints, completing compliance inspections and addressing breaches of gaming laws in its annual report; and*
- c) develop and implement reporting procedures that ensure appropriate supporting documentation is retained to allow validation and analysis of performance.*

## **Government Response – Agreed**

Meaningful performance reporting is essential to demonstrating the effectiveness of regulatory activities and maintaining public confidence.

The Commission has made significant progress in updating its strategic indicators through the Statement of Intent 2025–2026. It also intends to update its accountability indicators to better reflect its performance in encouraging licensee compliance with gaming laws. However, a considered review and appropriate data analysis will be required to ensure these indicators are robust and fit-for-purpose.

The Commission is committed to faithfully reporting its performance in areas such as complaint handling, compliance inspections, and enforcement actions in its annual report. Supporting this, improvements have been made to internal governance processes, including enhanced documentation and reporting procedures to ensure performance data is validated and appropriately analysed.