



Policy

WA Race Fields

[Effective: 01 October 2014]

Disclaimer

This Policy is designed to provide information in regard to the subject matter covered, and with the understanding that the Gaming and Wagering Commission is not passing legal opinion or interpretation or other professional advice. The information is provided on the understanding that all persons undertake responsibility for assessing the relevance and accuracy of its contents.

Purpose

The purpose of this policy is to describe the requirements of betting operators who use or publish WA race fields as part of their wagering operations.

Legislative Basis

The racing bets levy scheme is achieved through the *Betting Control Act 1954*, the *Racing Bets Levy Act 2009*, the *Betting Control Regulations 1978* and the *Racing Bets Levy Regulations 2009*.

Approval to Use WA Race Fields

Under section 14A(2)(b) and 27D(4A) of the *Betting Control Act 1954* ("the Act"), the use of Western Australian race fields is subject to the payment of a racing bets levy and the provision of prescribed information. Betting operators who are licensed in Australia are automatically entitled to use/publish WA race fields under this legislation, subject to the provision of prescribed information and payment of the racing bets levy to the Gaming and Wagering Commission.

Section 27D(2A)(b) of the Act requires offshore betting operators to seek approval from the Gaming and Wagering Commission in order to use/publish WA race fields. The application form can be downloaded [here](#) or is available from the Department of Racing, Gaming and Liquor.

Racing Bets Levy

Since 1 November 2012, the racing bets levy has been calculated at the rate of 1.5% of a betting operator's monthly turnover except for wagering conducted on thoroughbred racing during the period 1 November to 1 January where a levy of 2% is payable. On 1 April 2013 a \$2.5 million turnover threshold was introduced which provides for a reduced levy of 1% only. In addition, an exemption was introduced for betting operator's whose turnover did not reach \$1,000 in any month.

The regulations have been amended with effect from 1 October 2014 and the changes will result in the introduction of a differential racing bets levy structure, an increase in turnover threshold and a change to the manner in which premium racing is determined.

The turnover threshold will increase from \$2.5 million to \$3 million and continue to attract a reduced levy of 1% only. The annual threshold will continue to be applied on a racing calendar year basis.

As the new regulations do not take effect until 1 October 2014 the threshold for the 2014/2015 racing year has been assessed to be \$2,916,666. This is calculated on the basis that 2 months of the racing season will be at the rate of \$2.5 million and the remaining 10 months at the rate of \$3 million.

The new differential levy rates, which only apply once the threshold has been reached, will be as follows:

- Pari-mutuel bets placed on standard race meetings levied at 1.5% of turnover.
- Pari-mutuel bets placed on premium race meetings levied at 2.5% of turnover.
- Betting exchange bets placed on standard race meetings levied at 1.5% of turnover.
- Betting exchange bets placed on premium race meetings levied at 2.5% of turnover.
- Non betting exchange fixed odds bets placed on standard race meetings levied at 2% of turnover.
- Non betting exchange fixed odds bets placed on premium race meetings levied at 3% of turnover.

A higher levy will now apply across all race codes and to any race meeting that is determined to be a premium race meeting. Premium race meetings are defined in the regulations on the basis of the value of stake money, as follows:

- Thoroughbred racing – any meeting that contains at least one race with stake money of \$100,000;
- Harness racing – any meeting that contains at least one race with stake money of \$50,000;
- Greyhound racing – any meeting that contains at least one race with stake money of \$30,000.

Wagering operators who generate turnover of less than \$1000 in any month will continue to be exempted from paying any levy in that month.

Turnover

The definition of turnover remains unchanged and is defined under section 14A(1) of the Act as:

'the total amount of racing bets including bet backs placed on the backer's side of the bets by one bookmaker with another bookmaker solely for the purpose of lowering the risk incurred by the bookmaker on bets already accepted by a customer'.

Turnover includes all bets received on races conducted in Western Australia (including bet backs) less cancellations and refunds.

Turnover:

- a) is not reduced by:-
 - i) rebates paid to customers or discounts offered to customers;
 - ii) any amounts paid to commission agents;
 - iii) bad sales;
 - iv) bad debts, errors and customer claims;
- b) excludes jackpots (transferred from other pools) and any amounts added (seeded) to the pools by the Wagering Operator;
- c) includes the value of free bets;
- d) in the case of doubles bets and multi bets, add to turnover the proportion of the amount bet equivalent to the proportion of the bet placed on WA races (ie. if one of two legs is a WA race, then 50% of the value of the bet is attributed to WA turnover);
- e) in the case of an all-up bet each leg of the all-up is a separate bet. Therefore, turnover should be recorded for each separate transaction as each leg is resulted;
- f) any bets placed that cross a reporting period are to be apportioned as they relate to each reporting period.

With respect to betting exchange operators, turnover is determined by the value of racing bets made on the backer's side of a wagering transaction.

Prescribed Information Requirements

In addition to the levy, betting operators must supply 'prescribed information' on betting transactions conducted on WA races to the Gaming and Wagering Commission, under section 27D(4A) of the Act. Regulations 103 and 106 of the *Betting Control Regulations 1978* ("the regulations") define prescribed information as information in documents, records or accounts relating to racing bets placed with or placed or accepted through, a betting operator.

Under regulations 104-108, betting operators must comply with the Chief Steward of RWWA and authorised officers of the Gaming and Wagering Commission by allowing them to:

- view any document, record or accounts of the operator containing prescribed information;
- provide them with a copy of any document, record or accounts containing the prescribed information; and
- where possible, provide real time access to betting systems.

Section 27E(3) of the Act requires that the information be provided to RWWA in a summary or statistical format and that it does not directly associate the betting operator with the data.

WA Race Fields Return

The legislation requires that all betting operators who publish/use WA races, to lodge a monthly race fields return (and pay the racing bets levy) within 14 days of the end of each month. The return must be completed in a form approved by the Commission under section 14A(2)(a) of the Act. In this regard, the return can be submitted via the online system (available by accessing the RGL website) or on a manual form, available by contacting the department. The information required in the return includes:

- Race meeting date
- Race code (i.e. thoroughbreds, harness or greyhounds)
- Race club conducting meeting
- Race number
- Total bets taken through each sales channel (i.e. on-course, telephone, internet and retail)
- Total amount of bets taken
- Total amount of pay-outs
- Total levy due

Payment Methods

Once the levy is calculated, payment can be made using the following methods:

- BPay; Electronic Funds Transfer (EFT); Credit/debit card (either online or by printing a remittance slip and posting the details); Cheque/Money order and Cash.

Annual Audited Return

Regulation 110 of the regulations requires that an annual, audited return completed independently by a qualified auditor¹, covering the previous race year (1 August-31 July) be submitted to the Gaming and Wagering Commission by 30 August each year. This return must specify the total amount of turnover on WA races and, the total amount of levy paid on those bets (excluding GST) for each month.

¹ An auditor is an individual qualified to conduct an examination of the records to form an opinion about the authenticity and correctness of such record such as an accountant.

Betting operators may apply for an exemption to this requirement, if they meet the following criteria:

- total turnover for WA races is less than \$50,000 per annum; and
- total turnover for WA races is less than 10% of the operator's total annual turnover.

Betting operators must write to the Gaming and Wagering Commission to request an exemption and to provide details of:

- total amount of turnover on WA races for the year;
- the percentage of total annual turnover that applies to WA races; and
- the reasons for the exemption request.

The exemption must be applied for on an annual basis, that is, each year an exemption is sought.

**CHAIRMAN
GAMING AND WAGERING COMMISSION OF WESTERN AUSTRALIA**