



Government of **Western Australia**  
Department of **Sport and Recreation**

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Mr John McGrath MLA  
Chair  
Joint Standing Committee on the Review of the Racing and Wagering  
Western Australia Act  
c/o Parliament House,  
GPO BOX A11  
PERTH WA 6837

Dear Mr McGrath

**SUBMISSION TO THE REVIEW OF THE RACING AND WAGERING  
WESTERN AUSTRALIA ACT 2003**

The Department of Sport and Recreation wishes to provide its submission to the above review (Attachment 1). Following discussions between the Department and the Joint Standing Committee staff I understand that the review is still open for submissions and therefore I have taken the opportunity to submit.

The submission deals with an issue of process that when rectified it will be beneficial to all who are involved in the administration of the Sports Wagering Account (SWA) and those sports bodies that receive funding assistance from the SWA.

Please do not hesitate to contact Greg McLennan, Principal Policy Officer on 9492 9834 at the Department for any further information.

Yours sincerely

**Ron Alexander**  
**Director General**

1 June 2010

[Encl]



Building stronger, healthier, happier and safer communities

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## ATTACHMENT 1

**NAME:**

Ron Alexander, on behalf of the State Government through the Department of Sport and Recreation – Western Australia (DSR).

**TITLE:**

Director General

**CONTACT DETAILS:**

The following departmental officers are nominated to be contact officers for the submission:

1. Mr Greg McLennan,  
email - [greg.mclennan@dsr.wa.gov.au](mailto:greg.mclennan@dsr.wa.gov.au)  
telephone: 9492 9834 and
2. Mr Evan Stewart,  
email - [evan.stewart@dsr.wa.gov.au](mailto:evan.stewart@dsr.wa.gov.au)  
telephone 9492 9754

Facsimile for both: 9492 9711

**NAME OF COMMITTEE:** Committee on the Review of the Racing and Wagering Western Australia Acts (RWWA Act)

No representatives wish to appear before the committee.

The Department of Sport and Recreation's submission is aimed at streamlining the transfer of funds between agencies and also improving client service.

DSR seeks to amend both the Gaming and Wagering Commission Act 1987 Section 110A and also the Racing and Wagering Western Australia Act 2003 Sections 104 and 107.

The proposed amendments to the RWWA Act would mean RWWA could deposit funds into an account held by the DSR instead of the current scenario whereby the account is held by the Department of Racing, Gaming and Liquor (DRGL). The proposed amendment to the Gaming and Wagering Commission Act 1987 would allow DSR to open and hold the Sports Wagering Account.

Currently the process for the transfer of Sports Wagering Account funds is not client friendly and is cumbersome to manage as it unnecessarily spans across three agencies.

## **BACKGROUND**

Sections 104 & 107 of the Racing and Wagering WA (RWWA) Act 2003 presently state that, RWWA must pay a portion of funds derived from "Unclaimed dividends" and moneys received through totaliser & fixed odds wagering on sporting events into an account called the Sports Wagering Account (SWA). DRGL holds the SWA fund. The SWA fund is established under section 110A of the Gaming and Wagering Commission Act 1987.

The process for DSR receiving the funds is such that RWWA calculate the remittance and deposit the funds into the SWA. DRGL hold the funds in an interest bearing account called the SWA.

## **CURRENT APPROVAL/PAYMENT PROCESS FOR SWA FUNDS**

DSR currently puts forward funding recommendations to the Minister for Sport and Recreation and receives approval for the use of the funds.

Often these recommendations are for individual grants to community groups but they have also included approval of funds to DSR to undertake programs/projects of benefit to the community.

The SWA is credited with funds from RWWA and also with interest apportioned from a central interest bearing account.

To obtain release of funds from the SWA, DSR must provide evidence of Ministerial approval, an invoice (in the name of DRGL) from a client and write a letter requesting release of funds to DRGL.

The request is processed by DRGL, as a payment and goes through the Office of Shared Service (OSS) payment process.

Often it takes 6 weeks (sometimes longer) to secure a payment for a client and clients must contact DSR, DRGL and OSS if problems arise.

## **PROPOSED APPROVAL/PAYMENT PROCESS FOR SWA FUNDS**

DSR is investigating an alternative method for release of the SWA funds to DSR. DSR has sought State Solicitors Office (SSO) opinion as to whether the alternative, detailed below, is possible under the existing Gaming and Wagering Commission Act. The advice received is that a legislative amendment is required to the RWWA Act to make any change.

DSR seeks to change the current process and will request Department of Treasury and Finance (DTF) approval to establish an interest bearing holding account (similar to the current account established as per Section 110A of the GMC Act) so that there is no loss of benefit to the community/fund.

Any interest earned would be held within the fund for distribution as part of the normal SWA grant funds.

DSR would administer the DSR SWA account and would seek ministerial approval for the allocation of funds from it, as it does now.

The benefits of the proposed process would be expedited client payments, ability to respond quickly to client enquiries and better management reporting.

The attached two diagrams represent the current SWA grant process (Attachment A) and also the proposed alternative (Attachment B).

As the SSO's opinion suggested a change is required to the RWWA Act, DSR has informally canvassed the proposed change with RWWA and they have indicated their initial agreement. RWWA also suggested that the change could be incorporated into the current RWWA Act review.

As DRGL were party to the establishment of the Sports Wagering Fund, DSR has sought DRGL opinion on whether the mooted change whereby RWWA would forward funds directly to DSR, would adversely impact on DRGL in any way. DRGL have advised DSR that the changes would not adversely impact the DRGL and have given support for the submission.

If there are any questions please contact the officers nominated as contacts at the front of this submission.

## **BENEFITS OF PROPOSED CHANGES**

1. Streamlining of client relationship in that client only has to deal with one entity for funding request (DSR).
2. DSR would be able to provide payments direct to client with no invoice necessary, assuming grant agreement in place for GST/RCTI requirements.
3. Reduces administration in payment process. (No need for approval copies and request letters required to be sent to DRGL).
4. DSR can better administer/manage SWA fund as it will be responsible for the management of the SWA account with daily balances available.
5. Reduces work load on DRGL in terms of fund administration and reporting.
6. Simplifies future funding negotiations between RWWA and DSR.
7. Process aligns with EAC report in terms of "Putting the Client First" .

## **PROBLEMS WITH CURRENT PROCESS**

1. Client confusion in terms of funding entity. (Grant agreement with DSR but must invoice DRGL through DSR).
2. Client must make claim to DSR for payment and then wait until DSR requests payment from DRGL (in writing) who then seeks payment via OSS. Payment process can take up to 6-8 weeks.
3. Client must deal with DSR, DRGL and OSS if there is a payment problem.
4. DSR must wait for confirmation of SWA balances monthly and reconcile with grant management system. DSR does not have an immediate record of funds available.
5. Returned cheques from clients are often made out to DSR and either has to be banked by DSR and cheque drawn in favour of DRGL or cheque is returned to client for re issue in the name of DRGL.
6. Current process is not client orientated.

## **RECOMMENDATIONS**

It is recommended that the RWWA Act be amended as follows:

### **Clause 104 (1) to read:**

"If moneys payable by way of dividends, fixed odds winnings or refunds by RWWA in respect of wagers made on sporting events are unclaimed by any person entitled to the moneys for 7 months after the moneys become payable, the moneys must be paid by RWWA into the Sports Wagering Account held by the Department of Sport and Recreation."

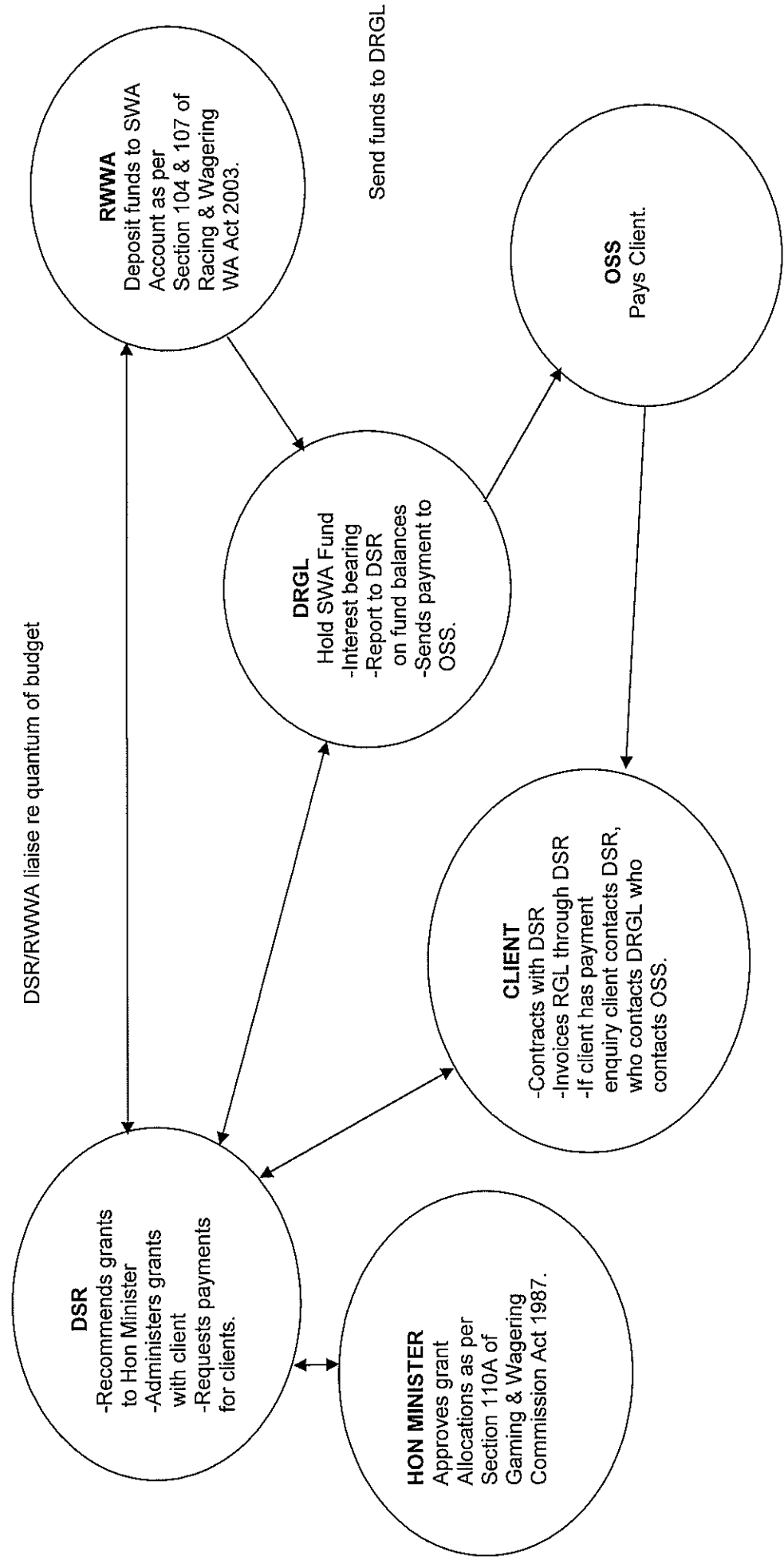
(Delete the words "under section 110A of Gaming and Wagering Commission Act 1987.")

### **Clause 107 (1) (b) to read:**

"the amount of wagering tax payable under Section 102 in respect of wagers made on sporting events, and pay 25%, or such other percentage as may be prescribed, of the balance to the Sports Wagering Account held by the Department of Sport and Recreation".

(Delete the words "under section 110A of the Gaming and Wagering Commission Act 1987.")

## CURRENT SWA PROCESS



FUTURE SWA PROCESS

