

TAB (DISPOSAL) BILL 2019

Committee

Resumed from an earlier stage of the sitting. The Deputy Chair of Committees (Hon Matthew Swinbourn) in the chair; Hon Stephen Dawson (Minister for Environment) in charge of the bill.

Committee was interrupted after clause 66 had been agreed to.

Clause 67: Sections 25A to 25E inserted —

Hon COLIN HOLT: Can the minister give me an explanation of why proposed section 25A is needed?

Hon STEPHEN DAWSON: This is about the introduction of a new race field publication regime. In other Australian jurisdictions, race field fees are paid by wagering operators to racing clubs, either directly or indirectly, for the use of racing information for the purposes of taking bets on those races. In Western Australia, race field fees are currently levied under the Racing Bets Levy Act 2009 with the applicable rates outlined in the Racing Bets Levy Regulations 2009. All wagering operators currently taking bets in WA races pay the racing bets levy to the Gaming and Wagering Commission, which then remits the aggregated amount to RWWA, as the principal racing authority. RWWA then distributes these funds to the racing clubs. The racing bets levy is currently expected to raise about \$80 million per annum. It is currently necessary for the Gaming and Wagering Commission to collect the racing bets levy because RWWA is both the principal racing authority and the operator of the TAB. If the racing bets levy were to be paid directly to RWWA under its current structure, it would be able to obtain sensitive commercial information about its competitors. The current regime means that the Racing Bets Levy Regulations 2009 must be amended each time RWWA, as the principal racing authority, seeks to change the racing bet levy rates. Therefore, the sale of the TAB will involve carving out the wagering functions from RWWA. Once this occurs RWWA—changed to RWA—will no longer have a conflict of interest in receiving commercial information from the TAB's competitors.

Hon COLIN HOLT: Thank you, sir, but that is not quite what I was getting to. This is about restrictions on publication of the use of WA race fees. Why is that restricted?

Hon STEPHEN DAWSON: It will restrict people from using the race fields unless they have approval from RWWA to do so. Under proposed section 25C, the approval can be granted by RWA. Section 25C(3) states —

A publication and use approval may be granted subject to any conditions RWA thinks fit, including a condition that the wagering service provider pay, in the manner specified in the approval, a fee or a series of fees of an amount or amounts —

- (a) specified in the approval; or
- (b) calculated in accordance with a formula or formulae specified in the approval.

Hon COLIN HOLT: I guess it basically protects the intellectual property of the product.

Hon Stephen Dawson: By way of interjection, the answer is: yes.

Hon COLIN HOLT: Is 5 000 bucks enough of a penalty when we consider who could be abusing the system? There could be huge multinational gambling agencies using it illegally, but \$5 000 does not sound like much of a penalty.

Hon STEPHEN DAWSON: I am told that it is \$5 000 for each individual time it is abused. The sentencing provisions provide for five times the amount for corporations.

Clause put and passed.

Clauses 68 to 128 put and passed.

Clause 129: Part 5 deleted —

Hon NICK GOIRAN: When we were debating clause 1, I asked some questions about anti-money laundering provisions and the minister indicated he would be in a position to provide some answers at clause 129. To expedite things, could the minister just indicate what those answers are?

Hon STEPHEN DAWSON: This is a comprehensive answer, so I will read the whole thing for the honourable member. Gambling services are designated services under the commonwealth's Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Any operator that purchases the TAB will be required to meet the same anti-money laundering requirements as Racing and Wagering Western Australia is required to meet under that act. The website of the Australian Transaction Reports and Analysis Centre sets out its role as regulator under the AMLCTF act, and states —

As Australia's AML/CTF regulator, we oversee the compliance of more than 14,000 Australian businesses with the AML/CTF Act and the Financial Transaction Reports Act 1988 (FTR Act). This includes businesses in the financial services, gambling, bullion and remittance sectors. They range from major corporations to small businesses—from the big banks, to a pub or club with pokie machines or a small remittance service provider.

We make sure these businesses have the systems and controls in place to help prevent them being exploited for serious financial crime. These processes include:

- identifying customers
- keeping proper records
- providing us with information about financial transactions
- telling us about any suspicious customers or activity
- assessing money laundering and terrorism financing risks they face
- having an AML/CTF program in place.

We can take legal action against businesses who don't comply with their obligations.

The state expects that gambling industry participants would be keenly aware of their obligations. The role of the Corruption and Crime Commission in relation to misconduct of public officers would not apply to officers of the privatised TAB, as is appropriate given they would not be public service officers. However, the Corruption and Crime Commission's powers in relation to organised crime would apply to a new operator of the TAB in the same manner that they applied to RWWA. In general, there is nothing in the bill that the government anticipates will dilute the Western Australia Police Force's role in anti-money laundering investigations. For example, section 53 of the WA Criminal Investigation Act 2006, which provides for a justice of the peace to issue an order to produce a document to a person on the application of a police officer, will apply to a new operator of the TAB as it does to RWWA now. A new TAB operator would also be subject to revelatory oversight by the Gaming and Wagering Commission. For example, the commission would have capacity under proposed section 10Y of the Betting Control Act 1954, to be inserted by clause 47 of the bill, to issue directions to the new operator with respect to systems of internal control administrative and accounting procedures for its wagering business.

Hon NICK GOIRAN: I thank the minister for the comprehensive response. I indicate that that tells us that as a result of the sale there will be less oversight in Western Australia over money laundering to one extent only and that is the role of the Corruption and Crime Commission. As the minister has indicated, it would not have a role with regard to such officers other than, as indicated, through the organised crime functions, which, as we well know, the CCC does not use. At the moment the CCC is busy consorting with the executive in respect of spying activities on members of Parliament and accessing emails covered by parliamentary privilege, but quite apart from that high-profile and unfortunate episode, it is a fact that the Corruption and Crime Commission routinely does not use its organised crime functions, and there have been many reports about that particular episode. I conclude by simply indicating that as a result of this provision, there will be less oversight of money laundering than there is currently.

Clause put and passed.

Clauses 130 to 160 put and passed.

Clause 161: Review of Act —

Hon COLIN HOLT: This is a standard review clause and I just point to clause 161(2), which states —

The review must address the following —

- (a) the impact of this Act on the State's racing industry including its funding;

We heard earlier that one of the outcomes of the racing distribution agreement is guaranteed funding for three years. The time frame for this review of the act is three years. I am just wondering what exactly the minister would expect it to show if the review were undertaken in that three-year period when there was an acceptance that they must maintain the funding to the industry. I guess if there were any opportunity to amend any part of the legislation—we know we cannot—perhaps this is where the government could think about how it could implement a review in maybe three years or five years after that.

Hon STEPHEN DAWSON: I am told that, in the absence of the guarantee, we will have enough data to know what the performance of the racing distribution agreement funding to Racing Western Australia would be.

Hon COLIN HOLT: That is really interesting. The minister is saying that before the three-year anniversary, a new operator could go back to RWWA and say, “Look, this is what we think is going to happen in 12, 24 or 36 months’ time in terms of our forward projections of what funding is going to come back to the industry”.

Hon STEPHEN DAWSON: No, I am not saying that. We will get continuous reporting from the operator on their performance to know what is going on, and we will know whether that guarantee is being relied on or not.

Hon COLIN HOLT: I understand now, but the review refers to the impact of the legislation on the state racing industry, including its funding. If there is guaranteed funding for three years—this review is in three years—what is actually going to be reviewed? It is a no-worse-off scenario. We are going to continue from this point for three years in a no-worse-off scenario, so the funding levels are going to be exactly the same. We are going to do a review at that point, when the funding is exactly the same. When it changes, after that three-year period, is going to be the most important thing for the industry.

Hon STEPHEN DAWSON: I guess this is the first review. Other reviews will happen periodically after that. We are committing to a review in three years and we will see what is thrown up at that time, but there will also be reviews in the future, and if changes need to be made in the future, obviously they can be made at that stage.

Hon COLIN HOLT: I will just finish my contribution, but I have one question from last night. I raise it here because we are probably near the end. The minister was going to seek from the chief executive officer of RWWA a list of its assets.

Hon STEPHEN DAWSON: I did not indicate I was going to seek a list of its assets; I indicated that I would seek a list of the TAB agencies owned by RWWA. That is what I took down as part of the conversation, so I am happy to provide that list. If there is something else the member wanted, I am sorry but I did not understand that he had asked for something further.

Hon COLIN HOLT: It was in the context that surely RWWA has an asset register that it may or may not need to report during its annual reporting period. It was at that time that the minister said he would seek some information from RWWA. I do not need an answer now, but perhaps the minister can review *Hansard* and provide an answer at a future date.

Hon STEPHEN DAWSON: I certainly undertake to review *Hansard* and to seek further information from the CEO of RWWA.

Hon COLIN TINCKNELL: How many of the 161 clauses of this bill have been amended?

Hon STEPHEN DAWSON: One, in the other place.

Clause put and passed.

Postponed clause 13: Functions and powers of corporate vehicles —

The clause was postponed on 20 August after it had been partly considered.

The DEPUTY CHAIR (Hon Matthew Swinbourn): Minister, noting the time, you will need to be very quick, or not at all.

Progress reported and leave granted to sit again, pursuant to standing orders.

Hon STEPHEN DAWSON: Mr Deputy President, are we now moving to members’ statements?

The DEPUTY PRESIDENT: Yes.

Hon STEPHEN DAWSON: Thank you. Are you giving me the call?

The DEPUTY PRESIDENT: I was not, actually. Members, we now move to members’ statements, which is normally primarily for members’ statements, not ministers’ statements.

Hon STEPHEN DAWSON: Mr Deputy President, I seek to make an explanation in relation to a question about which Hon Nick Goiran sought further information, and I would ask to do that now.