

**TAB — PRIVATISATION**

*Grievance*

**MS C.M. ROWE (Belmont)** [9.57 am]: Today I would like direct my grievance to the Minister for Racing and Gaming. We have received the welcome and long-awaited news from the Treasurer on Tuesday of a comprehensive and generous package that will result from both the introduction of the point-of-consumption tax, on which he spoke yesterday in the house, and the sale of the WA TAB. The feedback on this package has been tremendous so far, and I would like to congratulate the minister, and, of course, our colleague, Hon Ben Wyatt, the Treasurer, on reaching such an incredibly positive outcome for our racing industry right across Western Australia.

I am sure though that, like me, members of this house would like to understand in more detail how the McGowan government's whole-of-industry reform will assist all three racing codes and stakeholders such as the TAB agents, who have battled for some time under a changing wagering environment, with significant movement to online wagering, and under the previous government, which created an intense period of uncertainty for all in this industry. I am acutely aware that some of my constituents have invested their lives into a TAB agency, racehorse ownership, training or club ownership, and for too long have lived in limbo on whether a sale of the TAB would go ahead; and, if so, what the industry would stand to gain. I am very mindful that these people rely on the government to do the right thing and protect their interests wherever possible.

Unfortunately, they have lacked clear government direction for some time. I am aware that the McGowan government inherited the uncertainty from the previous Liberal government. I am also mindful that the code's longevity and sustainability rely on more than just money. Integrity, and in particular how the welfare and wellbeing of the animals involved is ensured, is of the utmost importance. We have seen in other states the devastation of the industry when integrity is not maintained at all times. A case in point is the disaster exposed in greyhound racing by *Four Corners* in 2015. The residual pain of this episode continues to be felt in WA, even though our industry was not shown to be party to live baiting in greyhound training. Our greyhound racing trainers, owners and advocacy groups have come under increased public scrutiny due to these revelations. The entire industry was thrown into disrepute and I am interested to know what the minister has done since his appointment to ensure that the WA industry upholds the highest integrity standards and therefore the highest standards in welfare for the animals involved in these codes.

As members know, my electorate of Belmont is a racing hub and I am sure everyone knows that I am an avid supporter of the racing industry. I want to ensure that the racing industry in Western Australia is well taken care of by the McGowan government so that I, and all members, can support this long-awaited racing industry reform.

**MR P. PAPALIA (Warnbro — Minister for Racing and Gaming)** [10.00 am]: I thank the member for her agreement and acknowledge that she is well known not only as an avid supporter of industry, but also as a very knowledgeable supporter who is directly engaged with the constituents within her electorate who derive their income and wellbeing from the industry. I appreciate the observations she has made about this package being more than just about the things that have garnered the most attention, those being the share of the infrastructure fund and the point-of-consumption tax.

I will refer to the history of what has happened. The member identified and confirmed the degree of uncertainty and anxiety associated with the industry hearing the announcement of a sale of the TAB as far back as 2014. It was in the 2014 budget. I think the former Premier announced in 2013, shortly after the election, that he was considering a sale.

**Ms C.M. Rowe:** Without any consultation.

**Mr P. PAPALIA:** Yes, and that created a degree of uncertainty. The sale was confirmed in the 2014 budget without a plan, without a process and without consultation. That threw the entire industry into uncertainty and there was subsequently no action. Having said it would sell the TAB, the former government took no action.

Several members interjected.

**The ACTING SPEAKER (Mr S.J. Price):** Member for North West Central, do not walk in here and start interrupting straightaway. Grievances will be heard in silence, please. Member for Dawesville, that goes for you as well, thank you.

**Mr P. PAPALIA:** Given that the former government controlled both houses of Parliament for the duration of both of its terms, we have to ask why it took no action to resolve the problem it created. The former government created the problem by announcing without any consultation or process that it would sell the TAB and it took no action. That was entirely down to the former government and the opposition cannot walk away from that. Subsequently,

in the time between the announcement and the election in March last year, there was an erosion in the value of the TAB as a consequence of that uncertainty. The former government holds some degree of responsibility for the drop of the value of the TAB in that time as a consequence of uncertainty. I do not know what that level is, but it made a contribution. Other than that, there has been the subsequent significant impact of the growth in both online betting and sports betting as a proportion of overall betting. I think about 50 per cent of betting is online now and about 10 per cent is sports betting. That also has contributed to a significant erosion of the traditional revenue base of the TAB. That all happened between the first announcement of the sale and when we took office.

Within months of us taking office, the Treasurer initiated a due diligence process. I confirm that, before the election, we gave a commitment to the industry that we would not sell the TAB unless it supported the sale. After taking office, the Treasurer commenced a due diligence process and engaged a consultant. The information from that process was shared through a thorough consultative process with the industry, firstly, to the Racing and Wagering Western Australia executive and board, then to the codes committees and beyond that to the community consultation and discussion paper. There were 106 or so responses, and they have been published. The industry overwhelmingly wanted to pursue a sale, but that was decided upon in conjunction with the consideration of the point-of-consumption tax. That was going to be introduced into every jurisdiction by next year anyway, so the industry asked that we consider both things as a package. That is what happened. As part of this package we have provided the most generous point-of-consumption revenue sharing measures in the country. Thirty per cent of point-of-consumption revenue will be given to the industry. The largest share anywhere else in the country is 20 per cent. In some places, such as Queensland, nothing is given. That is a significant ongoing revenue stream. Beyond that, 35 per cent of net sale proceeds will be given to establish an infrastructure fund to support the ongoing sustainment and maintenance of infrastructure improvements in the industry.

The member for Belmont raised the issue of TAB outlets. No-one on the other side has even raised those. Every member in this place has probably been approached by TAB outlets with concerns that in 2016, under the previous government, the measures agreed to that they would be given an option for a buyback of a certain amount were removed. We have reinstated that for three years after the sale. If a TAB outlet is compelled to leave the industry, it will be afforded the opportunity to get a buyback of up to 50 per cent of its net revenue for a year up to \$100 000. I know that is not exactly what the outlets would like and it is not necessarily what some of them paid, but it is far more than what they currently have, given the agreement ended in 2016.

**Mr V.A. Catania** interjected.

**Mr P. PAPALIA:** I am sorry; I have to try to get to everything in. I am happy to talk about it afterwards if the member wants to.

I am glad that the member for Belmont raised the issue of greyhounds, because our greyhound industry has the highest standards of anywhere in the country, if not the world. The greyhound industry was suffering from the appalling behaviour on the east coast. When I took office, I told the industry that the best measure we have for preserving it and preserving incomes and livelihoods was to ensure that we were absolutely gold standard. We have worked since then with RWWA. Under the leadership of the honourable Lisa Baker—that is, Lisa Baker, MLA, member for Maylands; she is honourable, but not officially!—who has been doing an excellent job, a working group, with advocates from the industry, owners, trainers, breeders, GreyhoundAngels of WA, Greyhound Adoptions WA and Free the Hounds, is doing a tremendous job developing policy for the industry to ensure the absolute best standards for greyhounds. That is the best thing we can do to ensure certainty and an ongoing robust future for the industry.