

TAB (DISPOSAL) BILL 2019

Consideration in Detail

Resumed from 12 June.

Debate was adjourned after clause 47 had been agreed to.

Clauses 48 to 68 put and passed.

Clause 69: Section 27A amended —

Dr D.J. HONEY: I was intrigued by this, and I ask the minister to provide some information. I refer to proposed section 27A(1)(b) on page 76. What is the extent of offshore betting on our three codes? I was intrigued about why there would be a reference to that. Why is that proposed section in the bill?

Mr B.S. WYATT: In answer to the member's first question about the extent of offshore betting on our product, we have no idea. This proposed section deals with the current offence of offshore betting operators receiving and taking bets on Western Australian racing. This proposed section continues that offence. It is a rewrite of the current provision. The proposed paragraph reads —

an offshore betting operator granted an exemption by the Commission under this section;

Such a betting operator cannot take a bet without the approval of the commission. This continues that offence; it does not change.

Mr J.E. McGrath: Does it refer to operators in the Northern Territory?

Mr B.S. WYATT: It refers to overseas operators.

Mr J.E. McGRATH: For an overseas operator to take bets on Western Australian racing, they would have to be licensed with the Western Australian authority. Is that right? Otherwise, they would be doing it illegally.

Mr B.S. WYATT: To do it legally, such an operator would have to apply to the commission for an exemption. To date, the commission has not given any exemptions to enable that to happen. Remember, that is about offering bets in Western Australia. The operator might be offering bets in their place of business in another country, but we just do not know the extent of that.

Dr D.J. HONEY: I think that clarifies it. We obviously have a concern with Australians betting offshore, and I thought it would be somewhat hypocritical for us to complain about that and then facilitate a service letting people bet offshore. Madam Acting Speaker, if it facilitates the process, and subject to any other members, my next question refers to clause 74 on page 78.

Clause put and passed.

Clauses 70 to 73 put and passed.

Clause 74: Sections 28E to 29 replaced —

Dr D.J. HONEY: I refer to proposed section 28E(2). This is no doubt my lack of knowledge, but I was struggling to understand the issue with committing an offence if the officer accepts or acts on any telegraphic, telephonic or radiographic request. What problem is this proposed subsection trying to solve?

Mr B.S. WYATT: That is a good question. This is a rewrite of the current law. The problem that we are trying to resolve here is credit betting.

Dr D.J. Honey: And that is elsewhere in the act as well?

Mr B.S. WYATT: Yes.

Dr D.J. HONEY: I refer to proposed section 29 on the next page, which refers to the offering of any credit. Does this preclude bookmakers from offering credit as well?

Mr B.S. WYATT: No, this applies to TAB agents only.

Dr D.J. HONEY: As we have been doing in this process, I am happy for the member for South Perth to clarify this, subject to the indulgence of the Chair. Obviously, one of the problems is people offering credit for betting. My understanding was that bookmakers are effectively agents. They are not agents of the TAB, but they are betting agencies. Can the Treasurer or the member for South Perth clarify for me the difference between a corporate bookmaker and a bookmaker?

Mr B.S. WYATT: Our bookmakers are here and licensed in WA; corporate bookmakers are licensed in the Northern Territory. One of the reasons that all states have now moved to a point-of-consumption tax is that the only revenue they were effectively paying to Australians is the fee to the Northern Territory government, and now that has obviously changed. Our bookmakers are licensed here in WA.

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Mr J.E. McGRATH: Further to that, the question that would be good to put on the record is that the federal government has banned the allowing of credit by any wagering operator, so even Tabcorp or Racing and Wagering Western Australia cannot give credit, and that is accepted; that is universal. What about on-course bookmakers say at Ascot or Belmont who might have clients? Are they permitted to allow their credit or is it disallowed? They used to give a lot of credit.

Mr B.S. WYATT: The member is quite correct about the federal government's banning of credit. On-course bookmakers can offer credit, but only face to face on track or over the phone, and of course it will generally be with someone they have a relationship with. They cannot offer credit through an internet service.

Clause put and passed.

Clauses 75 to 77 put and passed.

Clause 78: Section 33 replaced —

Dr D.J. HONEY: The Treasurer answered this question before, but I want to confirm the answer. I refer to new section 33, "Regulations". The Treasurer can correct me if I am wrong, but he said before that he is not anticipating there to be any regulations at this stage and that this is simply to allow that any future regulations would be justified under the legislation.

Mr B.S. WYATT: The previous conversation about the likelihood that there will not be any regulations was just in relation to the disposal of the asset. There will be regulations for the operations of the industry. Two prime examples will be the functions of the stewards for monitoring on-course wagering and the licensing regime for key employees of the new operator, which will be handled through regulation. There will be regulations for the operations of the industry, but I do not anticipate any regulations for the clause 8 disposal under that part.

Dr D.J. HONEY: Obviously, the bill will not come into effect until the regulations come forward. When does the Treasurer anticipate in the normal course of events, assuming the matter goes through this place in a timely manner, those regulations being available for discussion?

Mr B.S. WYATT: Work has already started on identifying those areas that will clearly require an update as allowed under this new section. I expect at this point that we will probably have those regulations ready early next year. They will be published in the *Government Gazette*, and then the upper house, for example, can review them. I do not expect them to be particularly contentious, because I do not expect a dramatic change. It is still the regulation of the industry but just allowing a new operator.

Dr D.J. HONEY: I do not think this is what the Treasurer was saying, but just to clarify, do we require those new regulations to go through before the act can take effect?

Mr B.S. WYATT: For the operation, correct.

Clause put and passed.

Clauses 79 and 80 put and passed.

Clause 81: Act amended —

Dr D.J. HONEY: Obviously, this whole clause is about the ability to expand electronic gaming outside the casino, and I am not going to take up time now with a discussion about that. I will have my opportunity in my contribution to the third reading debate to dwell on that matter a bit. I want to be clear that the minister is absolutely certain that this is the only electronic game that will be allowed to go beyond the casino. I appreciate this question may be more relevant to clause 84 on page 90, but I thought I would ask it under the general heading of clause 81.

Mr B.S. WYATT: Yes, I am absolutely certain. Again, as the member quite correctly identified early, it is the way "simulated racing" is defined. The member will see on page 90 that the definition states —

that consists of animated images of a thoroughbred race, harness race or greyhound race;

So, I am certain, yes.

Mr D.C. NALDER: Further to that point, I was pretty keen to understand how we identify that. Maybe it is in clause 84 and I have not quite got to the final detail of it, but how do we see in this legislation —

Mr B.S. Wyatt: It is on page 90.

Mr D.C. NALDER: It is on page 90, sorry.

Mr B.S. Wyatt: It states —

inserting after the definition of "Scheme Act" the following definition:-

Below that the member will see paragraph (a).

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Mr J.E. McGRATH: I have a question I would like clarification on. When we discussed simulated racing at the briefing, people with concerns about this product were informed that the Gaming and Wagering Commission had signed off on it and had approved its expansion outside the casino. Is that the case?

Mr B.S. WYATT: The member will appreciate the way things often work. The official position is that the commission does not oppose it.

Clause put and passed.

Clauses 82 and 83 put and passed.

Clause 84: Schedule 16 inserted —

Dr D.J. HONEY: On page 91, proposed clause 84(4)(b) inserts a new clause 22(5)(e)(i) into the state agreement, which reads —

- (i) the State does not authorise the operation at the same time of more than one Wagering Licence for Simulated Races; ...

There may be a subtlety to this. My understanding was that simulated racing would continue at the casino but would also be carried out by the new operator, whoever that will be. I am not trying to be semantic. I would have thought that would mean there were two licences for simulated racing, and I am wondering why it states that there is only one wagering licence for simulated racing.

Mr B.S. WYATT: The member is correct. The casino has a casino licence that allows it to do all the things in the casino. This proposed clause is amending the Casino (Burswood Island) Agreement Act to allow wagering outside the casino, and that is the wagering licence. There is a subtlety. The operation of the casino under its own legislation makes it unique.

Dr D.J. HONEY: I thank the Treasurer for clarifying that. I refer to the words in italics at the top of page 92. In the briefing and earlier it was indicated that the minimum time between simulated racing events would be 200 seconds in total. I am trying to get clarification of what this indicates. Is that, in fact, something that is variable—it is not 200 seconds; it could be more rapid than that? To save time, in the same paragraph, I am not aware of the position of trustee for simulated races. Can the Treasurer please tell me who holds that position?

Mr B.S. WYATT: I am sorry; I had a voice in my ear. Can the member repeat the second question?

Dr D.J. HONEY: There is a mention of the trustee for simulated races, and I am just wondering who that is.

Mr B.S. WYATT: The trustee for simulated races is actually the casino. To answer the member's question about the timing, this proposed clause effectively says that the wagering licence issued for simulated races outside of the casino cannot be on better terms than inside the casino. Currently, the casino does not have a limit, so we are imposing limits on the TAB agents in the timing of races and therefore how many can be conducted during hours of operation. The casino effectively operates in a similar way, in any event. Realistically, they will not be able to make the races shorter, but they can certainly make them longer, which will then limit the number of races.

Dr D.J. HONEY: Just to clarify, my understanding that 200 seconds is the minimum period under this legislation is correct?

Mr B.S. WYATT: That is correct.

Clause put and passed.

Clause 85: Act amended —

Dr D.J. HONEY: This is really just a confirmation; I am not going to go through the changes to the Gaming and Wagering Commission Act in agonising detail. My understanding is that the Gaming and Wagering Commission operates very effectively and regulates the industry effectively. I was looking for your reassurance that in practice, this change is not going to affect the operation of that commission. I appreciate there are amendments that relate to the way the structure of the whole industry has changed, but otherwise the effective operation and the independence of that commission is not going to change because of the sale of the TAB.

Mr B.S. WYATT: Yes, I can confirm that. Of course, this regulates the licensee rather than Racing and Wagering Western Australia, which currently provides the wagering, but I can confirm that.

Mr J.E. McGRATH: A lot of members of this place probably will not be familiar with bodies such as the Gaming and Wagering Commission. Could you explain to the house who the members of the Gaming and Wagering Commission are, how they are appointed and what is basically its role?

Mr B.S. WYATT: As the member is probably aware, the commission is obviously the key regulator. It is chaired on an ex officio basis by the director general of the Department of Local Government, Sport and Cultural Industries—currently Duncan Ord. There are seven members appointed by the government of the day, with a range of experiences. One current member who I suspect we will all know—he has been around a long time—is Barry Sargeant, who is

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obviously a person with some significant experience. The commission manages all the issues we talked about, such as the requirement to be a person of good repute et cetera. To be honest, the commission manages it pretty tightly. I made the point previously that it has not yet granted an exemption for an offshore wagering organisation to offer and take bets in Western Australia, and it manages the TAB agents very tightly. It takes its role very seriously. Hopefully, that provides members with some context of who it is and what its role is.

Mr J.E. McGRATH: I was in Sydney recently, and I noticed that James Packer's new Barangaroo Casino was given a licence by the state government. There was a protracted deal, which also involved the land and things like that. One of the conditions was that a certain operator from up in Macau was not to have any involvement in it, and now I think his son has bought a share in Packer's company. I was wondering whether the same sort of issues would be looked at as part of this legislation. When certain tenderers appear as part of this process, would this commission have a role in that?

Mr B.S. WYATT: It is a good question, member. I was also in Sydney not that long ago, and I went for a trot around Barangaroo, watching the incredible Crown tower rising up, and the same thing occurred to me when I read that Mr Packer had sold half of his Crown shareholding. I thought at the time—it has just been confirmed—that our commission will have an approval role in there as well, and it does. As we discussed last night, the commission has a role in approving an associate, and there are good repute requirements for associates. A major shareholder is clearly an associate, so our Gaming and Wagering Commission will have a role in approving that transfer of the Crown licence here in Perth, yes. The commission will consider all the things it considers—it is fairly broad, as it needs to be—with the issues around good repute et cetera to approve an associate.

Clause put and passed.

Clauses 86 to 99 put and passed.

Clause 100: Section 109E inserted —

Mr D.C. NALDER: This clause will insert proposed section 109E, "Commission's functions as to complaints about wagering licensee". It seems straightforward, but this seems to be new. I am wondering why it is coming in only now. I imagine this kind of provision existed beforehand. I would like some clarity about whether a complaints mechanism is in place already; and, if so, why we are establishing a new one at this time.

Mr B.S. WYATT: That is a good question. There has not been an official process. I suspect that might be because it has been government-owned, so there have been obvious mechanisms of complaint—through members of Parliament et cetera. Because it will be a third-party operator, it seems sensible to have a mechanism for complaint about its operation.

Mr D.C. NALDER: I accept that definition, but I am surprised.

Mr B.S. Wyatt: So am I.

Mr D.C. NALDER: I would have thought that there would have been a complaints mechanism for wagering with an independent commission.

Mr J.E. McGrath: People can complain to Racing and Wagering Western Australia.

Mr D.C. NALDER: People can complain to RWWA, but —

Mr B.S. Wyatt: I guess that the issue of good repute can still be raised with the commission.

Mr D.C. NALDER: I have nothing further. I am just a bit surprised that there was not something already.

Clause put and passed.

Clauses 101 to 103 put and passed.

Clause 104: Section 113 inserted —

Mr J.E. McGRATH: I refer to the racing bets levy. For the record, could the Treasurer explain the reason for this clause and how the racing bets levy works? This clause will ensure that during the transitional stage money will still come from the racing bets levy. Could the Treasurer give a simple explanation for those members who do not understand how the racing bets levy works?

Mr B.S. WYATT: Members may have heard my adviser's explanation, but I am going to say it all over again.

Mr J.E. McGrath: We're preparing you for a new portfolio—racing and gaming!

Mr B.S. WYATT: As I said, I know more about racing now than I ever thought I would!

The racing bets levy is currently collected by the commission from other operators betting on product here and then passed on to RWWA. As the member pointed out, this clause ensures when the race field fee starts and the racing bets levy is abolished, if someone has a liability to pay the racing bets levy, that liability will stand. The money will still have to be paid and the commission will have to pass it on.

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Mr J.E. McGrath: So there might be an overlap.

Mr B.S. WYATT: That is correct. It is to ensure that during that period, liabilities that are accrued continue to be owed, and the money will continue to be paid to RWWA.

Clause put and passed.

Clause 105 put and passed.

Clause 106: Section 3 amended —

Dr D.J. HONEY: Given that we have a state harness racing authority, I am trying to understand the role of Harness Racing Australia in the structure or operation of this bill. Why does it need to be referred to in the bill?

Mr B.S. WYATT: When a specific third party name appears in legislation and it changes its name, it needs to be updated. This clause will delete “the Australian Harness Racing Council” and substitute its new name. I suspect there may have been a structural change in Harness Racing Australia, but I do not know. This clause will just update the name of the harness racing organisation. We define harness racing to refer specifically to horses registered with Harness Racing Australia, so we have had to update the relevant body.

Clause put and passed.

Clause 107 put and passed.

Clause 108: Section 19 amended —

Mr D.C. NALDER: My question applies to a number of clauses, including clauses 113, 116 and 117. Can I confirm that the real change in the penalty is that it includes a fine? This clause deletes “Penalty” and substitutes “Penalty for this subsection: a fine of”. Can the Treasurer clarify what that is about? It applies to a number of clauses.

Mr B.S. WYATT: This is due to Parliamentary Counsel modernising parts of the act, as it is wont to do when there are amendments. This clause will delete “Penalty” and substitute “Penalty for this subsection: a fine of”. It is just to make it clearer that the penalty is a fine as opposed to the word “Penalty” followed by a dollar number. It is a technical change.

Clause put and passed.

Clauses 109 to 126 put and passed.

Clause 127: Section 35 amended —

Dr D.J. HONEY: On page 108, proposed section 35(1)(fc) mentions the development and implementation of a scheme for the distribution of funds to racing clubs. Who will decide that? On the theme I developed earlier, what is the transparency of that process? We have heard a number of times, particularly from my colleagues in the Nationals WA, that some country clubs feel under-represented in this process. When we are talking about distribution of money, at the end of the day, this process comes down to money going to clubs. I am wondering how transparent that process will be and who will decide it.

Mr B.S. WYATT: This clause is about the general annual funds, not the infrastructure funds. Currently, the process is administered through Racing and Wagering Western Australia. That process will continue through Racing WA, and we will see that in the statement of corporate intent that will be tabled in Parliament each year. There is that transparency around it. Yesterday, we had a conversation about the representation of regional race tracks to Racing WA. I went through how regional tracks are represented on the board of RWWA, but that we made a specific decision to ensure, effectively, separate questions around that very legitimate question the member raises: what is the appropriate way for regional racing to be represented and to be considered as part of that review three years later? There was a general view that it is better to separate that conversation from this conversation, and, certainly, because of the point-of-consumption tax on this regime, the package itself will change the industry considerably. Three years from now is a good opportunity to look at the governance structure as well as funding and other issues.

Dr D.J. HONEY: Perhaps the member for South Perth may know—it may be beyond the scope of the Treasurer’s brief—how transparent that whole process will be to the various member organisations. Yes, there is a process, but is it buried within confidential minutes within RWWA, or Racing Western Australia as it will be, or is that something that will be transparent, whereby all parties will get to see it and can assess whether it is fair?

Mr B.S. WYATT: RWWA, of course, has its eligible body committees, and they report back. One thing I have found with the racing industry is that the membership of all three codes is pretty engaged through their committees. We occasionally see some disagreement of views played out in the media, but they are very engaged and quite involved in decision-making. In terms of the overall decisions of RWA, the statement of corporate intent will be tabled in Parliament, so the world can see it. That is not a bad regime of transparency, particularly for the individual clubs.

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Mr J.E. McGRATH: I have raised this before. I know we are talking about RWWA's corporate intent that Racing WA will have to provide to Parliament every year, but what about the new operator? I remember the days under the old TAB before RWWA came in. At the end of every meeting journos would be given what the on course and off course turnover was, and the crowd numbers at the races. That would be published. Now the public does not know anything about that. RWWA does not release any figures on turnover. Will the new operator be required to make available that sort of information about betting turnover on various meetings, or will that be accessible to members of the public and the racing industry? It is good to know that some meetings are achieving a lot more turnover than others. It is an indicator of the health of the industry and the racing product. How much information will the acquirer be required to provide to the public, and even to the government because the state will still be the owner of the TAB?

Mr B.S. WYATT: That is a good question. It highlights the changes that have occurred over the years that have taken it from a very traditional government operation to, even under RWWA, a commercial operation. There is great sensitivity in providing more of that information because it is operating in a competitive space. When comparing what happened during the member's days as a young journo, when he was getting all that information, with what happens now, we find that it is very difficult to get that information. Racing WA will still be provided the information. Under the licence, the state can access that information, but it is unlikely to be able to provide it in a public forum because of the sensitivity of it. Individual clubs will have an understanding of race days and what they are getting from the on-course tote et cetera, but I suspect that information about what the new operator is making from individual parts of the business will be very commercially sensitive.

Clause put and passed.

Clauses 128 to 143 put and passed.

Clause 144: Section 107A replaced —

Dr D.J. HONEY: My query about proposed section 107A(2) is based on a familiar theme—that is, the transparent inequity in the distribution between the three codes and how clear that will be so it is a fair process.

Mr B.S. WYATT: This does not change the process; it is simply accommodating the fact that it is a race field fee as opposed to a racing bets levy. The process is not changing; it is just updating the fact that the racing bets levy will be abolished and replaced by a race field fees account. That is all that this is doing.

Clause put and passed.

Clauses 145 to 153 put and passed.

Clause 154: *Racing Penalties (Appeals) Act 1990* amended —

Dr D.J. HONEY: I will not draw this out, like pulling wings off flies, despite the encouragement of my colleagues. Several members interjected.

Dr D.J. HONEY: No, I am here to be effective in making sure we scrutinise the end of the bill. This is a bit like the exercise of *Yes Minister's* bills box; that is, the public servants put all the important bills right at the bottom of the box because they knew they would never get scrutinised. I am concerned to make sure that we go through a diligent process and do not rush the end, which often happens with bills. That is our job, which I know the Treasurer takes very seriously.

I did not want to draw it out individually, but the problem with these summary tables is that it is very hard to follow what they are doing. I wonder whether it is possible for the advisers, through the Treasurer, to give some clarity about the purpose of those tables. I do not want agonising detail on every single line, but perhaps by general category.

Mr B.S. WYATT: That table takes out a "W" in every one of those sections. Members will see there —

(5) In the provisions listed in the Table delete "RWWA" ... and insert:

RWA

That is all that is doing. Nothing is hidden in there that gives the Treasurer all power to win all races on the track, unfortunately. That is all that is doing.

Dr D.J. HONEY: To clarify, is it the same effect for the table on page 121?

Mr B.S. WYATT: I can confirm that.

Clause put and passed.

Clauses 155 to 160 put and passed.

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Clause 161: Review of Act —

Mr D.C. NALDER: I know that we have a few questions about this and an amendment from the member for South Perth. I understand the intention that a review of the act will occur in three years. I am wondering why there is not a clause that says “unless otherwise determined necessary by the minister”. It should have a catch-all so that if the minister identifies that something is going wrong, he would have the ability to act earlier, rather than wait for three years. I wonder why the government does not have that catch-all phrase to give the minister the power to pull one earlier, if it were required.

Mr B.S. WYATT: This was a specific request of industry. In the consultation phase, unsurprisingly, questions that have been raised during debate came out about the appropriate representation of regional racing and a range of things. There has been a big series of reforms—point-of-consumption tax and now this. To summarise it, let us bed it down. From industry’s point of view, three years seemed an appropriate time to look at it. That does not preclude the minister of the day saying that they want to look at it anyway. It does not preclude that, but it requires the government to do and table the review, and I think that is the important thing. That was the backstop for industry. It has been a big change period for industry and, to its great credit, it has come a long way over the past few years to not only accept but also advocate for these reforms. But it wants also to have an opportunity for a public hearing, and that is what this clause does.

Dr D.J. HONEY: I think the Treasurer has a pretty clear idea of my principal concern with this bill; that is, the extension of electronic gaming machines outside the casino has the possibility to significantly increase the amount of gambling carried out, particularly in the clubs and hotels that have the gaming machines or might get them. I am wondering why this review does not include a review of other factors. In particular, the general public would be very interested to know, for example, how many new licensed establishments there are; what take-up there has been in simulated horseracing; how much money is coming in through simulated horseracing; and whether it has had any negative impact on the community, with an increase in the number of people who are addicted to that game. I do not see any review of that mentioned in here. I want to clarify whether we would see some review of those things as well, given that they are predictable concerns with the expansion of electronic gaming outside the casino.

Mr B.S. WYATT: It is a fair question. The review issues specified at clause 161(2)(a), (b) and (c) are the specific issues that industry identified it wanted reviewed. That is why those three have been specifically identified.

Dr D.J. HONEY: Treasurer, I mentioned my concern at the briefing, and I mentioned it in this place previously in my response to the second reading speech. I understand that the focus has been on the people who will be taking over the agencies and the licences, and I know that they are all well-meaning, good people. However, there is a third group here, if you like—that is, the people who are wagering. From other studies we know that this type of gaming is addictive and it is reasonable to expect that some people may become addicted to this game and it could have an impact. Otherwise, assertions have been made in this place that this would be only a very minor thing. We seek consolidation of agencies, not expansion of agencies. This will not take too much money, although we have heard that up to \$8 million will go to the industry. I know that in the scheme of the world that might not be a lot, but it is out of people’s pockets, many of whom cannot afford it. I think that third group, if you like, needs to be part of this review. I am wondering why that has not been included. I know that it seems that this bill is going to go through relatively smoothly in this place, but I can tell members that I mentioned the beta test to my family, and every member of the public whom I have discussed this with is extremely concerned about this change. Despite the fact that well-meaning members here think that perhaps it is not such a big thing, members of the community are very concerned about the expansion of electronic gaming machines outside the casino.

The ACTING SPEAKER (Ms M.M. Quirk): Member for South Perth.

Mr D.C. Nalder: You are supposed to —

The ACTING SPEAKER: Thank you very much. I would have if your colleague had not jumped up so soon.

Mr J.E. McGRATH: I think I can help the member for Cottesloe on two fronts here. The review that will be done after three years will be a parliamentary review by members from both houses, I suspect, which happened with the RWWA act. That was a very thorough review; we reviewed everything from how much was bet on meetings to problem gambling. We talked about all aspects of the racing industry, and I would expect the same under the three terms of reference that have been mentioned here for the review planned to take place after three years.

I have an amendment in my name. I move —

Page 124, after line 14 — To insert —

- (d) the impact of simulated racing on problem gambling.

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I move that amendment because members on this side of the chamber have expressed interest in the possible impact of this form of gambling going into TABs and PubTABs. I support it because I do not think it will be a huge issue. As part of this review, it would be prudent for members of Parliament involved in the review to investigate whether simulated racing has led to an increased in problem gambling in Western Australia, and maybe they could look at problem gambling in general of people who bet in TAB agencies or on horses and other racing events. I would like to think that the Treasurer would give consideration to this motion.

Mr B.S. WYATT: I accept the arguments of the members for Cottesloe and South Perth. The concerns expressed by a lot of members about the impact of problem gambling have been fairly well ventilated during the debate. I have articulated why clause 161(2)(a), (b) and (c), which outline what the review must address, are in the legislation. I think the member for South Perth's amendment to add paragraph (d), which outlines that the review should assess the impact of simulated racing on problem gambling, is worthy and has merit. The government is happy to support that amendment; it will be quite useful to that review. I make the point that the government will support the member for South Perth's amendment.

Mr P.A. KATSAMBANIS: I rise to support this amendment. I congratulate the member for South Perth for bringing this amendment to the house and thank the Treasurer, who is the minister responsible for the bill, for indicating that he is willing to support it. This amendment is a very good way to deal with a legitimate issue raised by members in this debate. I support the passage of the bill. My position on the sale of the TAB is pretty clear; I think it has been a long time coming.

The introduction of a new form of gambling gives rise to concerns about how it will impact on people with gambling problems. I have seen simulated racing in operation and I tend to share the member for South Perth's view that it will have minimal impact on the overall amount of gambling in the state. I also think it is possibly the dumbest form of gambling one could ever find. I have said before in this place that I am a non-gambler, but for a non-gambler I seem to know a lot about how this industry operates. I have been through a similar legislative process in the past and recognise a lot of the issues that members have raised. As I said, I think this is a dumbest form of gambling of all time. It is preordained. There is no element of judging a good horse from a bad horse, or a good jockey from a bad jockey. There is no judging of how a horse looks in the mounting yard, including perhaps those horses that may enter the mounting yard looking heavier than when they leave the mounting yard, and the various other techniques that people may like to use. There is no way of assessing the quality of the track, the type of track or any of those variables. Certainly, nobody runs ratings-type businesses to advise gamblers of the relative strength or quality of the horses in the field. It is simply simulated; it is preordained.

Interestingly, from what I have been told by people who know a lot more about this than I do, these types of gaming options offer perhaps the highest margin of any product offered by a licensed operator in Australia. Obviously, an operator cutting their own book and taking all the risk might sometimes have a higher margin and at other times a lower margin, but of the totalisator-style betting products, in which there is no risk to the betting company, if you like, I am told that these products offer the highest margin of all. I have strong advice to anyone thinking about playing these sorts of games: do not be silly; do not do it!

Mr J.E. McGrath: But they do offer odds.

Mr P.A. KATSAMBANIS: They offer odds and the opportunity for people to have a flutter and have fun, and good luck to them. I do not do it; as I say, I am a non-gambler. People can do it if they want, but it is a legitimate concern. I think all members, particularly on this side of the chamber—the members for Cottesloe and Darling Range and others—have highlighted a concern: if we increase the number of gaming products available, we are giving people with a predisposition to enter into problem gambling an opportunity to either become problem gamblers or exacerbate their problem gambling habit. Obviously, the Treasurer has made it clear that he does not want to accept wholesale amendments, but in this case he has seen fit to support this amendment. It means that in three years' time, Parliament will consider the impact of simulated racing. That is a good thing. Again, I would like to put on the record that if people are going to gamble, there are much better products that they can use, so do not do it because it is silly and they are not going to win!

Mr B.S. WYATT: I will let the member for Cottesloe make his points.

Dr D.J. HONEY: Thanks, Treasurer. I congratulate the member for South Perth for this amendment. It is very important to understand the potential impact of simulated racing. The truth is that there is a lot of hypothesising about what might happen with this form of gambling and how broadly spread in our community it could become. It is critically important that, as a community, we know about the impact on the community of simulated racing, particularly at the sharp end—that is, the potential impact on people who become addicted to this game. Some people will become addicted to this game, but at least this provision in the legislation will allow us to quantify that impact. It is assessing the problem after the horse has bolted —

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Mr J.E. McGrath interjected.

Dr D.J. HONEY: As the member for South Perth has just pointed out, that information will be publicly available and can enter into the public discourse. I think that increased transparency is a good thing. I will not talk at length now, but I will contribute to the third reading debate.

Mr B.S. WYATT: Honestly, I probably share the member for Hillarys' view; I am not a noted gambler.

Mr P. Papalia: Hang on; I was there the last time you were at Ascot!

Mr B.S. WYATT: The one win I have had in my life, yes.

I like to go to the track more as a social event than anything else; it is a great day out. I do not frequent TABs. It is a world that is not mine, but it is for many, many people. I think that this is an appropriate amendment and it will be useful to see what the review produces for Parliament. As I said, the review will be laid before both houses of Parliament and will contribute to, member for Cottesloe, the public discourse around that. As I said, the government is happy to support the amendment.

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Third Reading

MR B.S. WYATT (Victoria Park — Treasurer) [11.10 am]: I move —

That the bill be now read a third time.

MR D.C. NALDER (Bateman) [11.10 am]: I rise to comment on the third reading of the TAB (Disposal) Bill 2019. It has been a long debate with quite an extensive consideration in detail. As the lead speaker for the opposition, I reiterate our key points. As a party, we have agreed in principle to support this legislation and support the sale of the TAB. Having said that, some members on our side have serious concerns about the bill and do not necessarily support it. The Liberal Party's constitution allows those members, when they notify the party room, to object to the vote. Although the party as a whole supports the bill, over the past three days we have expressed our concerns about it. I would like to reiterate them.

The first is around gaming machines. I acknowledge that the amendment of the member for South Perth is a wise amendment that puts the onus on the government to review the impact of gaming machines. I fear that the primary decision for this bill is based on raising additional revenue. I do not believe that is the basis upon which a government should consider introducing gaming machines. Everybody has said that this will raise only a small amount of revenue. If it is only about raising a small amount of revenue, it begs the question: why are we doing it in the first place and why are we potentially putting people at further risk of harm? From my perspective, that does not seem logical; nonetheless, the government has decided to proceed down this path. We have stated our concerns around that, and at least we have been heard and have made our points clear.

The second issue the opposition expressed some concern about was whether there is potential risk for country racing. Despite assurances from the government, the opposition remains concerned about that because it is worried about how this will be implemented. We believe that the government should consider—we encourage the government to bring forward that consideration—ensuring that there will be a country representative on the Racing and Wagering Western Australia board. The government said that it would like to consider that in the future, but we continue to make the point that that consideration should be brought forward early. We state that particularly because of the number of racing venues that exist in country areas. Although there are multiple types of racing—the dogs, harness racing and galloping—in the country, they make up a large representation of the total number of sites across Western Australia. We want to make sure that they do not get left behind. The relative power of metropolitan racing sites could lead to a dominance that would be to the detriment of country racing. We urge the government to continue to consider that and to at least make sure that those country sites are represented on the RWWA board. We understand that the membership bases allow for country membership within individual codes, but we believe that country sites should be represented at the board level.

The basis of this comes down to wanting to ensure that the existing industry continues to be supported adequately to provide that surety moving forward, and we are looking across the whole industry for that surety. Although it is easy to say in principle that we support the sale of the TAB, personally I have never believed that the government should own a betting agency. The government should be responsible for the regulatory oversight of a betting agency, but not necessarily own it. That is my personal view. In saying that, in disposing of the TAB, the responsibility is on the government to ensure that the framework is in place to provide surety for the industry and a sustainable future for the industry.

We thank the Treasurer for his input to this debate. However, we will continue to monitor the disposal of the TAB and the implementation of these changes to the act to make sure that the government is living up to its word that the industry will be better off as a result. We are taking the government's word in good faith that that is what will occur; however, as a responsible opposition we will continue to monitor it to make sure that the government lives up to its word to deliver that outcome for the racing industry in Western Australia. I thank my colleagues for their support during this debate. I thank the government for its patience in working through the issues that we wanted to address. I thank everybody for their time.

MR V.A. CATANIA (North West Central) [11.15 am]: It has been quite a debate in this house on a bill that deals with the future of the racing industry in this state. It is absolutely vital to the communities in which we live, particularly regional Western Australia. However, I am still gravely concerned that this bill is asking Parliament to sign-off on something about which we know nothing of the detail. This sale of the TAB will short-change racing in Western Australia.

The ACTING SPEAKER (Ms J.M. Freeman): Member, this is the third reading debate so you need to keep to the areas of the bill. Keep going, just try to bring it back to what the bill is.

Mr V.A. CATANIA: I am; this is the bill.

The ACTING SPEAKER: No, the third reading stage is about the consideration of the bill that is before us.

Mr V.A. CATANIA: That is what I am talking about. I do not know what else you want me to talk about.

The ACTING SPEAKER: Member, you were talking about other stuff outside of the bill, so bring it back to matters around the bill. Keep going. Do not question the Chair; bring it back to the third reading.

Mr V.A. CATANIA: Okay; I am talking about racing in Western Australia. This is the TAB bill here.

The ACTING SPEAKER: Member, the third reading stage is restricted to the provisions in the bill. It is not a broad debate as occurs in the second reading stage. Bring it back to the third reading.

Mr V.A. CATANIA: The 35 per cent, which is in the bill, going towards racing for the sale of the TAB, falls short by 65 per cent. That is the argument the Nationals WA has put forward; that is, 100 per cent of the sale of the TAB under the TAB (Disposal) Bill 2019 should go towards racing. We must remember that the racing industry has built up the TAB over years. It deserves to have security of its asset. It has built up the ability for the government to put forward this sale of the TAB. The reason we argued that it should be 100 per cent, not the 35 per cent that is set out in the bill, is that if at the end of the day the government sells the TAB for \$300 million, of which the government says only \$100 hundred million will go towards an infrastructure fund, that could be as little as \$2.3 million, if we use just the interest, across all racing codes in Western Australia. To my mind, that means that country racing will be the first to miss out. Perth Racing is very powerful and it will always try to take a large chunk of the money, and understandably so. That is often where the money is. However, we need to protect country racing; we need to protect racing's future.

Having only 35 per cent of the sale will, to my mind, jeopardise the future of racing in this state. To me, as a member and patron for many years of the Carnarvon Race Club, that does not sit well. I am going to the races tomorrow to work behind the bar, in my duty as a committee member, and people will be saying, "Why are we getting only 35 per cent?" I have spoken to the majority of race clubs in my electorate, as well as the Country Racing Association. Do members know what I found out? I found out that the reason the industry is not jumping up and down is that it had to sign a confidentiality agreement, with a gun to its head. It was told, "Sign this or else the TAB sale is not going to go through and you're going to miss out." That is what the government has done. The government put a gun to the industry's head and the industry has not been able to speak out because it wants 100 per cent—absolutely. No-one has signed a letter to say 35 per cent. In anyone's right mind, why would they say, "Let's sell your house, but I'm only going to give you 35 per cent of it"? Who is ever going to agree to that? No-one is going to agree to that! Someone would agree only if they were told, "If you don't agree to this, we're not going to sell the TAB and your industry is bugged." The threat that has been put to industry by this government is unbelievable. I think it is very similar to the situation with the crayfishing industry. It also had to sign a confidentiality agreement and not talk about it. That takes away the negotiation from industry so it has to support something like this. This bill is going to affect the future of racing in this state. If we got \$100 million in our account and we used just the interest on the 35 per cent, we would be looking at something like \$2.3 million.

To change and build the new jockeys' and stewards' rooms at the Carnarvon Race Club cost us \$300 000, and it would have cost us more if we had not used all the volunteers to do it. Out of that \$2.3 million, \$2 million has already gone on one race club trying to bring the jockeys' and stewards' rooms up to standard, let alone a running rail track that cost \$180 000. To say that \$2.3 million is going to protect the future of regional racing in Western Australia is a farce. In the industry, who in their right mind would agree to sign off on something that is going to be only \$2.3 million, or thereabouts, at 35 per cent interest? They would have to have a gun to their head

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or a piece of paper that says, “Sign this or you’ll get nothing.” Of course people would sign the confidentiality agreement. It is funny that we have not heard from the Minister for Racing and Gaming on this bill. Do members not find that weird?

The ACTING SPEAKER (Ms J.M. Freeman): Member! Bring your speech back to the bill.

Mr P. Papalia: Sit down, idiot, and I’ll stand up!

Withdrawal of Remark

Mr V.A. CATANIA: Point of order!

Mr P. Papalia: I withdraw.

Debate Resumed

Mr V.A. CATANIA: The court jester over there clearly does not have the ability to stand up and talk about this bill.

The ACTING SPEAKER: Member! It is against standing orders to —

Mr V.A. CATANIA: I withdraw.

The ACTING SPEAKER: Thank you.

Mr V.A. CATANIA: The concern is that the Minister for Racing and Gaming has not stood up and talked about this bill. It is absolutely critical for his portfolio area and the people he is meant to represent, and he has not stood up and defended why only 35 per cent is going to the industry. When it comes to saying that 65 per cent will go to a new King Edward Memorial Hospital, I do not think anyone disagrees with putting money towards a new hospital. It is outdated. It needs to be built, but the government needs to do it no matter what, and there are other alternatives to find that money to go into the building of it. As I said in the second reading debate, perhaps we should look at BHP, which owes the state \$300 million. That money could go towards that hospital, which would allow 100 per cent of the funds generated from the sale of the TAB to go to the industry. The problem is that regional racing is the first thing that will suffer. It is suffering under the current regime, but it will suffer more when it has only \$2.3 million to spread over the industry each year, potentially. That is the problem. When the board that is going to make the decision on behalf of racing does not have a permanent representative from country racing on it, how is anyone going to advocate for the needs of country clubs and country races? That is the problem that we in the Nationals WA face, and these are the issues that regional racing faces. It is hard enough as it is at the moment, let alone having to fight with all codes across the state for a paltry \$2.3 million, potentially. How can anyone say that the sale of the TAB is going to protect regional races? How can anyone say that the sale of the TAB, in its current form, is going to protect all those codes in racing? This is why we propose 100 per cent going towards the industry.

I hope that my colleagues in the upper house, whether they be Nationals, Liberals or part of the crossbench, fight for 100 per cent of the proceeds of the TAB sale going towards the racing industry, because that guarantees the future. The National Party is not opposed to the sale of the TAB, but we have concerns with this bill in its current form. I am confident that my upper house colleagues will have another crack at trying to amend this legislation. In our minds, it needs to be 100 per cent to be able to guarantee the future of racing in Western Australia. If I can send a message to the other place, it is, “Let’s not sell out racing. Let’s look after our Country Racing Association. Let’s look after all our codes in Racing Western Australia and provide a bright future by putting 100 per cent—potentially over \$300 million—back into racing and covering the backlog of infrastructure that we know about now, which is worth over \$100 million. Let’s fix all of that up, and let’s then provide certainty by putting the rest of the proceeds from the sale of the TAB towards the upkeep of racing infrastructure. Let’s keep abreast of, and look at, new ways of trying to attract people to the track and into the industry”, because at the moment it is difficult. There is competition in technology and amongst other sports, and the competition in trying to even source horses, trainers and jockeys is difficult.

From a country perspective, when we have races in places such as Carnarvon, Mt Magnet, Meekatharra, Geraldton, Karratha, Port Hedland, Kununurra, Broome, Toodyay, Northam, Albany and all the other race clubs across regional Western Australia, it is a social event. It brings the community together. It generates jobs and a bright economy for those towns. That is why it is important that we make sure that we can give back to the industry what it has built up over time. That is why I believe that we should support 100 per cent of the proceeds of the sale of the TAB going back to the industry. I know that deep down the member for South Perth agrees with what I am saying because he is an avid track goer. He comes up to my patch regularly to see how regional races are going. I know that, ultimately, he would love to see all the proceeds go back to the industry. As I said, the industry has had a gun held to its head through a confidentiality agreement that it had to sign, so it cannot talk about this; hence we will not hear about it on the radio or see it in the paper. As we understand, it is all intertwined and there are a lot of complexities around why no-one from the industry is jumping up and down in public to advocate for

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100 per cent of the TAB proceeds going to the industry. There are a lot of complexities there. I tell members that every conversation I have had this week and previously is that the industry wants 100 per cent of revenue from the sale of the TAB going towards it. They said, “Vince, we’ve got a gun to our head.”

Point of Order

Mr P. PAPALIA: Standing order 97 refers to repetitious or irrelevant debate. The member has repeated himself persistently now. This is third reading debate and the member is saying the same thing over and over—incorrectly, but still saying it.

Several members interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Members, points of order will be heard in silence. Minister, would you like to make a point of order—in silence.

Mr P. PAPALIA: This is the third reading debate and the member is just repeating the same observation he made at the outset of his contribution. I ask that you either ask him to say something new or that he seat himself.

The ACTING SPEAKER: Repetitious debate is a separate point of order. It is questionable whether the debate is not repetitious, but I will not make a ruling on that. Can I please guide you back to the contents of the bill. I am happy to get you a photocopy of Erskine May, which we rely on. Debate on the third reading is much more restricted than that on the second reading. It is restricted to the contents of the bill. Your debate is beyond the contents of the bill. Member, bring it back to the bill. I have sat people down before in this place when they have not brought their contributions back to the contents of the bill and I am happy to do that again.

Mr V.A. CATANIA: I am talking about a very important point of the bill.

The ACTING SPEAKER: No, it has to be the contents of the bill, member.

Mr V.A. CATANIA: I have a point of order. I do not know what else I can speak about, because I am speaking to the bill here, and it is a very important —

Several members interjected.

The ACTING SPEAKER: He cannot make a point of order really. Anyway, bring the debate back to the contents of the bill. It is not a wideranging debate —

Mr V.A. CATANIA: Okay, I am talking about division 3, “Other matters”, clause 26 “Application of proceeds of disposal”.

The ACTING SPEAKER: It is not a debate about who you spoke to; it is not a debate about what your opinion is; it is a debate about the contents of the bill, member.

Debate Resumed

Mr V.A. CATANIA: I will speak. Perhaps the Minister for Racing and Gaming might want to learn something, because here it is: clause 26(3) under division 3 on page 18 of the TAB (Disposal) Bill 2019 states —

An amount equal to 35% of the net proceeds of a section 8 disposal must be charged to the Treasurer’s special purpose account and credited to the Racing Infrastructure Fund referred to in section 27(1).

That is what I am referring to. That is what the Nationals WA opposed and moved an amendment to in order to ensure that we could try to get 100 per cent of proceeds of the sale of the TAB for industry. The reason that I am standing here today and the reason I am quoting the TAB (Disposal) Bill is to ensure that we can get on record that the Nationals WA, together with the Liberal Party, have fought hard to get 100 per cent of proceeds of the sale of the TAB to industry. That is why I quoted the Treasurer clearly stating in consideration in detail that industry supported this clause and the amount of 35 per cent. I state that the reason he is happy to say that is that the industry cannot speak out because it has signed a confidentiality agreement. I think it is a very important point to make in this chamber that that is the reason we are not seeing industry come out. It has had a gun to its head in the form of a confidentiality clause and a gun to its head telling it that if it does not agree to this bill, the government will not sell the TAB and the industry will die—be it on its head.

The ACTING SPEAKER: Member, bring it back to the bill.

Mr V.A. CATANIA: Of course, that is why the industry says it will accept the 35 per cent, but no-one can produce a letter.

The ACTING SPEAKER: Bring it back to the bill.

Mr V.A. CATANIA: I want a signed letter from all industry, all codes, saying that they have agreed to this clause of this bill outlining 35 per cent. The point I am trying to make is that this is going to hurt racing. We do not disagree with the sale of the TAB, but the terms the government is putting forward will hurt racing in the future. The problem

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is that the government is putting forward a 40-year contract. The majority of these people, and almost everyone in this house, will not be here in 40 years' time to be able to reflect and say that this was a bad decision or not.

Dr A.D. Buti: The member for Dawesville might!

Mr V.A. CATANIA: The member is right! I have faith in the member for Armadale. If he keeps up his running, I reckon he will be around as well! But clearly the Treasurer is not going to be here and clearly the Minister for Racing and Gaming will not be here. The minister has failed to stand up and talk about this bill. Does that not show us that either he does not know much or the government wants to keep his comments —

Mr R.S. Love: They are protecting him!

Mr V.A. CATANIA: The government is protecting him, and that might be protecting the industry as well! Who knows?

At the end of the day, the Nationals WA do not disagree with selling the TAB, but it is about the form of the sale. The government is asking us to agree to a bill without knowing the detail. Clause 27(2), "Racing Infrastructure Fund", on page 19 of the bill states —

The Racing Infrastructure Fund must be administered by RWWA.

I think it is important that the government looks at an amendment that could perhaps be moved in the other place by which a country representative could be put —

The ACTING SPEAKER: Member, let us be clear. In a third reading debate you cannot talk about what was not in consideration in detail. The member needs to keep to the provisions of the bill and the issues raised during consideration in detail—not to issues that have been raised outside it or issues that were raised in his second reading contribution. This is not a second reading speech contribution again; it is a third reading contribution, so you need to stay within the parameters of the bill.

Mr V.A. Catania: I have a point of order.

The ACTING SPEAKER: You cannot raise a point of order from your seat.

Point of Order

Mr D.T. REDMAN: A whole range of issues were raised in consideration in detail. I was a part of those debates and the member for North West Central was part of those debates. I recall that they included the issues he is raising now, which go to elements of the bill. That was the basis of raising the issues.

The ACTING SPEAKER: You can talk about them, but you cannot recontest them over and over again.

Mr D.T. REDMAN: I am pretty certain he is talking about them.

The ACTING SPEAKER: He is recontesting them and also proposing what should happen in another house. I say that he has to bring it back to the third reading of the bill. Discussions in consideration in detail were not on what will happen in another house, but on what will happen in this house. I am trying to get it back to the proceedings.

Mr D.T. REDMAN: I understand, Acting Speaker, but there has been pretty a lateral history of how third reading contributions are made.

The ACTING SPEAKER: There is a standing order.

Mr D.T. REDMAN: There has been, and when you are over here, it is exactly the same. There has. You want to go back to the history.

The ACTING SPEAKER: Member, I have been very lateral. Please do not question my ruling. Take a seat. Member for North West Central, keep going with your third reading contribution.

Debate Resumed

Mr V.A. CATANIA: In consideration in detail, we debated subclause (2) of clause 27, "Racing Infrastructure Fund", on page 19 of the bill, which states —

The Racing Infrastructure Fund must be administered by RWWA.

The member for Bateman and I brought up the fact that there should be a country representative on the Racing and Wagering Western Australia board to ensure that we can guarantee that regional racing will not miss out on the measly \$2.3 million. I think they are the words I used during consideration in detail. We need to be able to protect regional racing. That is the point I am trying to make. This is not something I am newly bringing up in this third reading debate; it is something we brought up in consideration in detail that the Treasurer did not support. That is the point I am trying to make. Third reading debates are about making sure we can reflect on consideration in detail and what has and has not happened. I believe it is my right as a member on my feet.

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Overall, this is absolutely disappointing. The racing industry feels that it has had a gun to its head, and as more detail comes out, members will see that the industry will be short-changed in the sale of the TAB. As I said, we are not opposing the sale, but consideration needs to be made of 100 per cent of proceeds going towards industry to guarantee its future—the future of regional racing and the future of all codes in Western Australia.

MR J.E. McGRATH (South Perth) [11.38 am]: What an interesting debate this has been! I probably have more experience in the racing industry than anyone else in this place. I also know a lot of people in the racing industry. No-one has ever come to me and said, “We’ve had a gun held to our head over this.” In fact, we have to be careful in this place that we are not playing Russian roulette with the future of this industry, because if this legislation does not go through, there will be no sale of the TAB, there will be no infrastructure fund, the TAB will continue to struggle to compete against these great big multinational wagering operations, and where will be the money for the industry?

I understand the position of the Nationals WA. The Nationals support country racing and country clubs. I have been to so many country race meetings. Country clubs used to survive back in the Depression days, when the racing industry was on its knees, but they still had country race meetings up in Meekatharra.

Mr V.A. Catania: Not any more.

Mr J.E. McGRATH: They are going to race again this year. I went to what was supposed to be Meekatharra’s last ever meeting, and there were pictures on the wall of some of the great two-day meetings they used to have. Meekatharra is now struggling—not under the new system that is going to be brought in under the transformation of the racing industry, but under the existing racing industry. Country members talk about racetracks closing. I used to go to the Beverley races. Beverley race club used to have a race meeting on Melbourne Cup day. That was shut down. Toodyay was shut down. York has been restricted.

The ACTING SPEAKER: Refer to the provisions of the bill during the third reading.

Mr J.E. McGRATH: I will get back to the provisions of the bill.

I want to talk about some of the points that have been raised by members during debate on the TAB (Disposal) Bill 2019. I am referring to our country cousins, the Nats, who were our partners in government when former Premier Colin Barnett tried to privatise the TAB. It was mentioned during the debate that a group had been put in place called the Western Australian Racing Representative Group, headed by Michael Grant and comprising eminent people such as Fred Kersley, Ron Sayers, David Simonette from the greyhounds and Kevin Jeavons from harness racing. They worked for two years trying to put together a package. Finally, before the 2017 election—this was against much opposition from the Labor opposition—they came together with a deal. They said, “This is the deal we will accept if you want us to support the sale of the TAB.” Part of the deal was an infrastructure fund of no less than \$100 million. The other part of the deal was a guarantee of at least a “no-worse-off position” for the industry.

This bill provides for 35 per cent of net proceeds of the sale of the TAB to go into an infrastructure fund. I would expect that infrastructure fund to be well managed, and I think it is rubbish to say that only the interest on that fund would be spent. If we had to spend \$20 million or \$30 million on an important project, under this bill Racing Western Australia could take that funding request forward to the minister and say, “We intend to spend \$30 million on a major project.” It could be the renovation of a major country track. They are already spending money in Bunbury and Pinjarra. The member for North West Central mentioned Carnarvon. I have been to Carnarvon many times. For other spending on racetracks, money will be available out of normal reserves of Racing Western Australia. Racing Western Australia is going to be a big recipient through the point-of-consumption tax. The advisers told us the other day that Racing Western Australia has \$70 million in reserve funds, and that is after it has allowed for the transformation of the Bunbury training track, which I supported. It has a brand-new racetrack and new stalls. Bunbury is the biggest regional centre.

Mr P. Papalia: The stabling at Pinjarra.

Mr J.E. McGRATH: Yes. These projects are ongoing. I saw the new stabling at Pinjarra at the harness racing on cup day—it was fantastic.

Mr P. Papalia: It was \$10 million.

Mr J.E. McGRATH: I do not know what it cost. There will be a capacity for Racing Western Australia to provide that funding.

Although I have sympathy for the recommendation that there should be a country representative on the board of Racing and Wagering Western Australia, those committees under the structure of RWWA, which will continue under the act—I read that those committees will continue under the act—represent all the country groups as well. They represent the Country Racing Association of Western Australia, the provincial race clubs and the Western Australian Country Trotting Association. It is very difficult to take this to every member of the racing

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industry. There are 8 000 people employed in the racing industry. I guess government can put it out there when it is doing a survey or a consultation process, but the key people to talk to are the representatives of those people. Rather than speak to every licensed trainer, it would speak to the Australian Trainers Association or the representatives of that body.

From what I am told, those groups—country racing, harness racing, thoroughbred racing, greyhound racing—all signed a letter of support for this package. I am not playing politics with this. In fairness, of course racing people like me would like to see all the money go to the industry, but at the end of the day it is a state-owned asset. I think we have to remember that. I know that the racing industry put funding in when the TAB was first formed, but the government had to run the agency. A racing industry cannot run a TAB agency—the government had to run it. The government took control of it, and over many years, that TAB provided the lifeblood for the industry. I am sure there is a clause that mentions the TAB. That is my view on that. I would hate to see country racing marginalised by this, and I do not think it will happen.

The member for Geraldton gave me something today. Racing and Wagering Western Australia put out an industry communiqué saying that it is planning to extend prize money increases to outer provincial and country clubs to support racing in these important venues from August 2020. These things are ongoing. RWWA shut down harness racing in Kalgoorlie, which I did not agree with. It also shut down harness racing in Geraldton. I did not hear any complaints from the Nats over that, and I did not agree with that. There is talk that Mt Barker Turf Club could be in a dangerous position because it is very close to Albany; the two racetracks are close together.

The ACTING SPEAKER: Member, with respect, considering I have been questioned about this, can you come back to the provisions of the bill.

Mr J.E. McGRATH: Thank you. Let us go back to the 35 per cent of net proceeds to the infrastructure fund. In our conversations with industry, we heard that it thought \$100 million was a pretty fair deal, provided there was a guarantee of funding for prize money. Prize money is most important, but we cannot have racetracks without proper infrastructure. This legislation allows for a no-worse-off situation for three years in terms of prize money. We were told at the briefing that the government was only going to offer two years, but the industry said, “No, we want three”, and the government agreed to three. That gives us an opportunity. The prize money will not drop—it could increase if revenue goes up, but it is guaranteed that there will be no drop in the allocation of prize money to clubs for three years. It was mentioned during debate that Racing and Wagering Western Australia was going to fund the racing industry to the tune of \$168.4 million in 2020. I would think that the new acquirer of the TAB would be expected to provide that level of funding to the industry for three years. Hopefully, it will be more; it will increase, depending on how the business goes.

The issue of simulated racing was raised. This became a bit of a hot potato in our party room. Some of our members are not happy with simulated racing. We made a decision in the party room that we would support this bill but we would allow our members to speak if they were against simulated racing. I personally have no issue with it. I have been to TAB agencies all around Australia, including PubTABs. When I see it on a wall, I take no notice of it. Like the member for Hillarys said, it is going to be a small part of the overall picture. I think the turnover of the TAB is about \$2 billion a year. Simulated racing will be a very small component of that and will go into only TAB agencies and pubs or clubs that have an existing TAB; that is in the bill too. I do not think there is a sporting club in my whole electorate with a TAB, because the turnover at most of them would not be enough for it to work. When a TAB is put into a club, someone has to collect the tickets and pay out winnings. I do not think there will be a proliferation of simulated racing.

Today the Treasurer has agreed to an amendment that I put to the house to look at it as part of the three-year review. After three years of this no-worse-off operation and the new operator having control of the TAB, there will be a parliamentary review. I was involved in one of these reviews with members of the Nationals WA and the Labor Party when we were in government. It was a joint committee, which I chaired, and we held public hearings and things like that. This committee will be quite powerful and will call for public input, so if people have concerns, that will be a root-and-branch look at the new system. I think that is a good safeguard. The same thing happened when Racing and Wagering Western Australia was introduced. When a change is introduced, it is Parliament’s responsibility to review it, and I think that is a good thing.

We all understand that gambling can be a problem. I know a lot of people who are problem gamblers and it is an issue. But I also know problem drinkers, and we do not shut down pubs. People in our society have difficulties in various areas and we need to give them all the support we can. At present I know that Racing and Wagering Western Australia and Crown Casino does it. Whenever a betting agency puts an ad in the paper or on TV or radio they include a message to gamble responsibly, similar to messages to drink responsibly. There will also be measures to support people. People can ask for support if they have a bit of an issue. That is important, but we have to remember that at the end of the day racing is based on wagering. There would be no Melbourne Cup if there

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was no wagering. There would be no wonderful stories such as Michelle Payne winning the Melbourne Cup. That would not have happened if they were racing for a trophy. At the end of the day, the industry has to have wagering.

The ACTING SPEAKER (Ms J.M. Freeman): Bring it back to the bill.

Mr J.E. McGRATH: I think wagering was mentioned in the legislation. It was discussed at length, but we do not know how much the TAB will bring in or how many bidders there will be. Some people say that it will be only Tabcorp, but I would like to think that will not be the case and that it will be a competitive market. The more companies in the race, the better the chance of a good return for the racing industry. If \$300 million is the net gain, the proceeds to the industry at 35 per cent would be \$105 million. I think that is a good start for the industry. I would like to think that it can build on that and have it there for major infrastructure. I think this will provide some security for the industry. Industry was totally against privatisation when it was first raised. If I talked to stockbrokers on St Georges Terrace and asked them what they thought of selling the TAB, they would say that it was a great idea, but when I asked industry people, they said that it was not.

The member for Armadale's good friend Bob Maumill —

Mr P. Papalia: He's my constituent.

Mr J.E. McGRATH: The minister's constituent was totally against it. At Lark Hill he told the former Premier, Colin Barnett, "Premier, you'll never get this through." And now his side is getting it through! Maybe Bob has had a change of heart too.

The point of this legislation is that something has to be done. In a perfect world, it would be great for the state to own its TAB and have it run by public servants. The government used to own pubs and sawmills and things like that. We should just be legislators and let the people who know how to run those things run them. The Liberal Party believes in privatisation and that the private sector sometimes runs things a lot better than government does.

Dr D.J. Honey: The Labor Party does too!

Mr J.E. McGRATH: The Labor Party does too. They are moving with us.

The ACTING SPEAKER (Ms J.M. Freeman): The provisions of the bill.

Mr J.E. McGRATH: The debate has been very interesting. I look forward to hearing what the Treasurer has to say. I also look forward to hearing from the Minister for Racing and Gaming. This has been a little difficult because it is a Treasury bill, but it will have more impact on people in the racing industry than it will on the general public of Western Australia. I would be interested in hearing from the Minister for Racing and Gaming and the Treasurer. If a gun is being held to the head of the industry, I want to know about it. I want to know where the gun was carried. The Liberal opposition will be supporting this legislation.

MR D.T. REDMAN (Warren-Blackwood) [11.56 am]: I rise to contribute to the third reading debate on the TAB (Disposal) Bill 2019 and highlight a few of the discussions that came up during the course of the debate, particularly during the consideration in detail stage. As we debated the clauses, one thing that was clear was the blatant hypocrisy of the Labor Party in opposition and in government. We raised historical media releases and parliamentary arguments about a policy setting put to the government of the day that has been totally turned on its head. If I were to make one criticism of my good friend the Treasurer, it is that he was not prepared to accept those deals when Labor was in opposition. Oppositions have their positions for a range of reasons. The Treasurer cited the previous government's position and used arguments made at the time by Hon Colin Holt to support this government's progress of the bill. It is clear that this bill's policy settings, particularly the 35 per cent that will be secured as an infrastructure fund for industry, are significantly worse than the deal that Hon Colin Holt negotiated with industry to take to cabinet when he was Minister for Racing and Gaming. The Minister for Racing and Gaming raised the point that he had a chat with the member for South Perth and he said that it was 20 per cent.

Mr P. Papalia interjected.

Mr D.T. REDMAN: That was the comment he made. One of the reasons that it did not get into cabinet is that Hon Colin Holt took a position that was much more supportive of the racing industry than the Liberal Party would accept in cabinet. Hon Colin Holt had a position that he had worked on with the industry and which was supported by the industry, but it was not accepted to be taken to cabinet. Not only were those settings better than what is on the table now, but, as the Treasurer has highlighted, if the industry continues to track the way it is, it will find itself in a worse position—probably an untenable position—so if it does not accept this, it might get nothing. That has been the Treasurer's threat. It is not unsurprising that part of the debate has been about what industry really thinks. The deal put forward by the Minister for Racing and Gaming at the time of the last government was significantly better than this. The number was significantly higher than the sale mark is now. That was even acknowledged by the Treasurer during consideration in detail. A range of settings were different. The Labor Party took the position of opposing it in opposition, but drank the Kool-Aid when it came into government. It has put something up with

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a whole range of arguments. The now Premier, the then Leader of the Opposition, mounted a case for a range of positions that seem to be inconsistent with the settings deliberated here. That was of concern.

It is a very blurry line; one of the debates on clause 40 was about simulated racing. It is a very blurry line between all the different sorts of gaming, including electronic horseracing, Keno and what gaming machines are compared with pokies. There have been consistent positions from both sides about what is and is not acceptable to community and there are some blurry lines. Certainly, in trying to secure this bill, the Treasurer's arguments when in opposition and what he is arguing now in government have capitalised on those blurry lines. I will say this: the Nationals WA will not be the scapegoats for the government's endeavours to try to sell the TAB to the advantage of industry at this time and nor will we be responsible for any shortfalls in any infrastructure funds that do not go to industry to support the sector. We have run an argument—in my view, a pretty compelling argument—that there are concerns about what is on the table for industry. It will put regional racing and clubs in particular under significant threat because of the challenges that they face, which everyone in this house knows: isolation, distance, numbers—a whole range of reasons. We believe that the government's rate proposal puts some of that at threat. We will not be responsible for the shortfall in those funds. The government is the only one that will be responsible for that, and it is the only one that will be responsible for taking this through at this time, as it argues, to support industry.

No doubt a number of debates will occur in the upper house; it is a very different place than here. The government does not have the numbers in the other place. It will have to prosecute a debate that will get support in the other place, but as it applies here, we clearly do not have the numbers. We have made a number of amendments to the legislation to get government support for what we believe is the industry's position. Certainly, it is the industry's view, although whether it is prepared to publicly articulate that is another thing. We have taken up those debates, we have highlighted the hypocrisy between when the Labor Party was in opposition compared with now being in government, but we recognise that this is a point in time that the government is taking this through, and we will certainly not be the scapegoats for the government's failure to take a position on the sale of the TAB for an outcome for industry that I think was acknowledged, if some sort of arrangement is not done, will probably be in a worse position.

DR D.J. HONEY (Cottesloe) [12.02 pm]: Before I start my contribution to the third reading of the TAB (Disposal) Bill 2019, I firstly congratulate the member for Scarborough on her ascension to Leader of the Liberal Party and also the member for Nedlands on his ascension to the position of Deputy Leader of the Opposition. I also take this opportunity to note the enormous contribution that the member for Riverton, Hon Mike Nahan has made to my party and also this place. He took on one of the most unenviable jobs in politics and probably one of the most unenviable jobs one could ever take on, as Leader of the Opposition when the party had been resoundingly defeated at an election. No-one wants to know the Leader of the Opposition, and they have to go out there every day and front the media. He did a fantastic job. I want to personally acknowledge the enormous effort he made and the respect that I have for him.

I also thank the Treasurer and the departmental staff. The Treasurer has always conducted himself with good grace and made every endeavour to answer questions thoroughly, which, in my short experience here, is not always the case. I thank the Treasurer. I appreciate that he takes his role very seriously, and he makes every diligent effort to give good responses. Also, his staff have made themselves available to us, and had to put up with late nights as well. I also acknowledge the member for South Perth. We on this side of the house, and in fact on both sides of this house, rely on him for his considerable expertise in this area. I especially respect the fact that he acts as a genuine advocate for his industry and that he supports something that he believes is very necessary.

As I have said several times, I support the overall sale of the TAB. The separation of powers is important. Having a gambling and wagering organisation owned by government that then tries to regulate it means that there is always a potential conflict, even within government, and it is nice to have a clear separation between the owner and regulator. Obviously, there were some mechanisms to create a bit of distance, but I think this sale clarifies it. I take it from the member for South Perth, primarily, that this will benefit the industry. I really hope that is the case and that it provides some support for the industry. I recognise that in many cases, in all three forms of the code, by and large the people involved in that industry are typically mums and dads, not the sort of high-profile breeders and trainers in the three industries that are covered by this bill. It is typically mums and dads or mates who have got together and the like. As the member for North West Central outlined very clearly, they are important organisations in a whole range of communities. I am impressed with his dedication by supporting so many of them.

I am sure the Treasurer was perhaps a little frustrated or, as an aside, made out that I was embarking on a general crusade against gambling. I am not setting up myself as the Mary Whitehouse, if you like, to rail against gambling. I recognise and the community accepts a certain level of gambling and gambling opportunity. I have expressed my concern that gambling is expanding extremely rapidly. According to the advisers, in 10 years we have seen a 50 per cent increase in the spend on gambling. That really is profound. I am not setting out on some general crusade. My debate and concerns about this bill, outside the consideration in detail stage, have been the expansion of electronic gaming outside the casino. I will refer to that. Perhaps I am bit of a black and white-type person.

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Mr P.A. Katsambanis interjected.

Dr D.J. HONEY: I hasten to add that my blood flows purple, member.

Mr P.A. Katsambanis: I would have happily welcomed you to the Collingwood team.

Dr D.J. HONEY: No.

We really need to be very clear and I go directly to the issue of simulated racing. We can muck around with definitions all we like, but this is an electronic gaming machine, plain and simple. Under clause 40, page 28 of the bill as presented to us, proposed section 4(4) defines simulated race as a game and (b) states —

the outcome of which is only determined by a random number generator that draws a set of numbers from a larger set of numbers;

It is very clear that this is an electronic gaming machine that is based on some random number generator. It generates random outcomes, it generates random wins and anyone who studied the literature in this area knows that that is the principal thing that gets people addicted to gambling. If there is a certain outcome, people get bored with it and, in fact, it is not even winning that excites people; it is a near miss. One paper that I will not refer to now, for the sake of brevity, made it very clear that in some regards winning is almost a distraction to gamblers. It is the thrill of getting the adrenaline up and down that gets them. This is an electronic game and that electronic game has been confined to the casino, along with other electronic games such as poker machines.

I have heard several members say that we should not really be concerned about this, because of the experience on the east coast. Members have gone to some of those establishments and seen these machines. There are not many in the overall scheme of the gambling that occurs in those establishments, but of course they are in establishments that already have poker machines. I trust the members who are experienced in this. I am sure that poker machines are a bit more exciting and enticing than simulated racing. They have bells and lights and whistles. The money clanks down on a tray to give an audio stimulation for other people to gamble more in the establishments. We need to remember that in this case these will be the only electronic gaming machines in the establishment. It is a bit like comparing Brad Pitt with the member for South Perth! Perhaps that is an unfair comparison.

Several members interjected.

Mr P.A. Katsambanis: I think the member for South Perth stacks up!

Dr D.J. HONEY: Beauty is in the eye of the beholder! Perhaps it was an unfair comparison, but if something there is more enticing, the other thing might not be used as much. I fully understand that not every club and hotel has these machines. Members have pointed out that at this stage it is a relatively small percentage of those establishments. These machines will still be in more than 320 establishments across the state. These machines will be the exciting thing there. In the land of the blind, the one-eyed person is king, if you like. In this case, this will be the exciting thing. When we went through the bill in the second reading debate, we looked at the types of people to whom this appeals. It typically appeals to single, younger males; and it disproportionately appeals to Aboriginal people. Again, I have expressed that as a real concern to the Treasurer, who is also the Minister for Aboriginal Affairs. That is a concern, and I shared my observations on that.

We have had a consensus view in this state for decades now that we would not do this. In relation to the definition, people say that it is not really a gaming machine. Former Premier Hon Geoff Gallop and current Premier Hon Mark McGowan clearly identified this as an electronic gaming machine. As recently as three years ago, the Premier indicated that he saw real problems with this, yet we are going ahead with it. When we look at the outcome of this bill and the distribution of money, we have been told that this is a critical part of the bill—we must have this because this is the sweetener that will really make this a sustainable deal. As I pointed out briefly yesterday, in fact the TAB is doing okay. Last year, the TAB reported that it had a record increase in profits and this year, again, the TAB has reported a further increase in profits above that. I have heard that profits may be going down in some of the country areas and the like. We have heard that there is lots of competition for the gambling dollar, and we have access to overseas gambling on our phones and so on, but the facts tell a different story. I have a press release here from the TAB. It refers only to the current year. In the last two years, its profits have also gone up. I am not sure that this is as critical as members say. I know gaming machines will do something to sweeten the price. My obvious concern is that that price is too high.

Members should recognise that these machines offer the potential for a substantially larger number of betting opportunities. When we went through the bill, we heard that there is a minimum of 200 seconds between possible games or simulated races. If we look at the 14-hour opening time of a TAB, that is another 252 opportunities for someone to place a bet. They would have to be a bit keen to do all 252, but when we were discussing this, we heard from the advisers that that represents anything from a 50 to 100 per cent increase in the opportunity to bet. It is a significant enticement for more betting and —

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Mr J.R. Quigley: More winnings.

Dr D.J. HONEY: That is the flip side, Attorney General. I know the Attorney General is a keen mathematician. He would know that the downside is perhaps a bit worse than the upside. It is a substantial increase. We have heard that, and we have heard that that is not really going to happen. That is possibly true. I have said before that I did not enter this place idly. I did not do it on a whim or for the money or the fame. I did it because I think I can make a contribution. In doing that, I take my role here extremely seriously. Our collective role is not to look at the best or most optimistic outcome of a bill; it is to consider the worst thing that could go wrong. Not to be too extreme, but it is to say: what could be the downside of a piece of legislation? As I said a number of times, my concern is that we are going to increase the number of people who are addicted to gambling. I really do not like the term “problem gambler”. I believe it is a euphemism. It is trying to hide something else. They are not problem gamblers. The problem is not with the gambler. They are addicted gamblers. About eight per cent of the population have an addictive personality and these machines, as simulated as they are, are designed to addict people. There are really clever people in this whole gaming industry. They employ clinical psychologists to look at how to structure these machines to get people sucked in. They are not problem gamblers, but desperately sad people who are addicted to something that is designed to addict them. It is not only by chance; these machines are designed to addict them. That is what the machine designers want. They want people to get hooked on them. Most people are not going to lose their house, but there is a certain percentage who will.

As I pointed out, it does not only affect individuals. A number of members have said they have known people who have had problems with gambling, but it is a horrendous problem for families with children. This seems to have a disproportional impact on women. The downward spiral into gambling addiction is a precursor to domestic violence; for example, a wife or female partner who is trying to manage a household is conflicting with, typically, a husband or male partner who has a gambling addiction. That plays on my mind. I am pleased to see the amendment to make sure that we are keeping track of that, but a better way to do that would be not to increase those opportunities. I am surprised. It is a momentous change for us. The truth is that in history, the member for Victoria Park will go down as the Treasurer who has done this. That goes against several decades of not supporting electronic gambling machines.

If I go further in the bill, I am not convinced this will contract. As I have said already, there has been a substantial increase in gambling generally. We heard that this game is not available online. That is partially true, members. Members are sitting there with their computers; if they use their favourite search engine and look up TAB Trackside, they will find that they can play the game online. The game is available online, but people cannot place a bet online. Conveniently, the TAB website—I assume it is run by Tabcorp from the east coast—gives the location of where people can go to place a bet. People can get hooked on playing the game online—it is freely available—and then, if they really get into it, they can go and bet on it. Yes, people cannot bet online, but the truth is that people can play this game online and then be seduced to go and place a bet. Particularly in clubs and hotels, this game could be potentially quite attractive. I hear and respect other members’ view that they do not think that is true, but my concern is it could be quite the opposite because we do not have pokie machines in our pubs and clubs, and this could become quite attractive. There is a low threshold against the expansion of these machines; it is only a public interest test really. Again, I take it that the people who will apply the public interest test will do that in good faith; however, I suspect that their considerations will be the proximity to schools and things like that. I do not think there will be any ongoing assessment of the percentage of people gambling with this game. The legislation does not state a threshold for the expansion of this form of gambling. I know these machines are not in all the clubs and hotels currently, but I think there is a very low threshold that will allow the expansion of these machines into clubs and hotels into the future.

I think I have made my point eminently clear: I favour the general concept of the privatisation of the TAB, I appreciate that the moneys raised should provide some ongoing assistance to racing clubs, but I see no necessity whatsoever to include simulated electronic horseracing in this game. It is simply an electronic gaming machine. The introduction of simulated electronic horseracing will break the bipartisan opposition to expanding gambling machines that has lasted for decades and there is real potential for it to cause harm to people in our community. I desperately hope that that will not be the case, that what other members have said in relation to that is true and that this will be a small sideshow with no significant impact, but I have grave concerns that that could not be the case and I do not see why the government needs to do it. I think the inclusion of simulated horseracing electronic gaming in the bill, and moving it outside the casino, is a very retrograde step in what, otherwise, appears to be a sensible bill. Thank you.

MRS A.K. HAYDEN (Darling Range) [12.22 pm]: I will summarise my position on the TAB (Disposal) Bill 2019 in my contribution to the third reading debate, but I start by thanking the Treasurer and his advisers for the good answers to our questions provided in the consideration in detail stage of the bill. As the member for Cottesloe commented, the Treasurer treated the bill, opposition members and our questions with respect. I thank and

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acknowledge the Treasurer for that. I would also like to acknowledge that as a member of the Liberal Party I am able to stand and speak my own personal views on this legislation and put forward why I will vote against the bill. In the Liberal Party, we have the right to put forward our own views and opinions without fear or favour and without being condemned for doing so. I gratefully acknowledge that I have the privilege to be able to do that in this house.

As I outlined in my contribution during the consideration in detail stage of this bill, my biggest concern is that the opposition holds the government to account. Our primary role is to make sure that the government does what it said it would do when it came into office. I believe this legislation goes against everything this government said it would do when it came into office. My main concern is that as an opposition we do that job. I know other members may not agree with or like what we do, but that is our job. As government members have previously been in opposition, they will understand that is the opposition's role. Again, the bill has been through the consideration in detail stage and the sale of the TAB is privatisation, which is something the government said that it would not do. For that purpose, I am opposed to the sale of the TAB. On top of that is that fact that my work on the review of Racing and Wagering Western Australia gathered information that points to other jurisdictions regretting the sale of their TABs. Although the Treasurer went to lengths to outline the advantages of the sale at the consideration in detail stage, when we spoke to people who had done it before, they disagreed and said that they wished they had not done it. I think we need to learn from others' mistakes and not have to make our own mistakes. That is the second reason I cannot support this bill.

My third reason not to support this bill is that a lot of people in my local community are in the industry and they do not support the sale of the TAB. The member for North West Central mentioned that the industry may have given up and said, "We put our hands up. We're going along with this because we know that we have no other option." The industry has been worn down and beaten down, and now it has to either come on board or miss out. Although the industry may be saying to some people that it is on board with the sale, it is saying to others that it is not. I do not believe the sale has the full support of the industry. As I said, community members in my electorate are part of those industry stakeholder boards and they do not support the sale.

I believe that the 35 per cent of funds from the sale of the TAB going back into the industry is not enough. I was disappointed that the amendment was not accepted or even negotiated. As we said earlier, 35 per cent is a short-term gain. I do not believe that it will be a long-term win for the industry. This is revenue the industry could earn and put back into the industry for the long term. I believe this funding will look after the industry for the very short term, but not for the long term. I have concerns for the future of the industry. As we said, a lot of people are employed in a lot of different industries and we need them to keep going.

One of the best things about going to a country racetrack is the colour, fun and ambience. Yes, online betting has affected that somewhat, but I believe the sale of the TAB and extending gambling options with Trackside or simulated racing will see more people detracted from going to the tracks. Again, the government committed to never extending simulated racing and gambling options; in fact, the Premier actually said that it would cause misery. The government said that it would always oppose the expansion of gambling into WA because of the financial misery it will cause. One of the biggest reasons I am voting against the bill is that we have a Premier who has said that it will cause financial misery, yet the government has brought in this legislation.

The Treasurer said during the debate that gambling is already in our suburbs through the use of mobile phone and internet gambling. I do not think the argument put during consideration in detail really covers the impact this will have on people in the suburbs. It is one thing if a person wants to gamble at home on their mobile phone, because if that is something they want to do, they will do that anyway. The issue is that when we extend gambling opportunities in a social environment, we start to attract people to gambling who have never done it before. For instance, certain pubs have a TAB outlet in the front bar. Someone could be in a pub for a simple beer and the next thing they know they are betting on simulated racing. They have not done it before and we now have a new gambler in the community. That happens and what we are doing will create a slippery slope that will push out gambling into our suburbs and new people will have the opportunity to gamble simply by visiting their local pub or their local TAB for a social interaction and become involved in gambling. The roll-on effect we all know of gambling is a sad one, and my fear is that today we are breaking a tradition that all members and all parties have always agreed to in Western Australia. As I said, we will stand side by side and make sure that gambling does not expand into Western Australia. Today we are breaking a very important tradition that we have all proudly stood by. It is a sad day for everybody in Western Australia and a sad day for the Labor Party to be breaking that tradition and going on record as starting the slippery slope of gambling into our suburbs and across WA. The ongoing cost of gambling will far outweigh the cash grab the government will get from the sale of the TAB. The industry will hurt in the long term. The WA community will hurt in the long term from the effects of gambling for us to get a short-term win on the income from the sale of the TAB.

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I will vote against the bill. I know there are other members who feel the same, but they need to stand by their party room or caucus room votes. On behalf of all of them, I will vote for them and let the community know that we are not all puppets or jelly backs here; that we are prepared to stand up for our own communities and for our own beliefs. I thank the Treasurer for his time, but I will vote against the bill.

MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA) [12.31 pm]: I will be brief as a number of my colleagues have spoken already on the third reading of the TAB (Disposal) Bill. I want to reiterate that we are obviously disappointed that the government could not see fit to support the amendment to the bill to divert 100 per cent of the proceeds into an infrastructure fund for the benefit and sustainability of the industry going forward. We do not think that is an unreasonable ask. The member for North West Central highlighted that we believe the industry is unable to provide public comment on this, and is in fact supportive of what we are proposing, but is unlikely to jeopardise a deal that could be taken off the table by the Treasurer if anyone were to break rank. I do not think that is a good way to do business. I do not think that is the way we should be negotiating the future of a very important industry. From our perspective, although the Nationals WA have indicated our support for the sale of the TAB, because we understand that the status quo for the industry is not acceptable, we will not be held as the scapegoat inside or outside this place—which I suspect will happen if it eventuated that we had anything to do with stopping the bill—for any failure of the government to progress the sale of the TAB. We will not accept responsibility for any shortfall in infrastructure funding or the disintegration of the industry going forward as a result of this bill. I do not believe for one moment that the industry agrees with the 35 per cent in the bill, regardless of the minister's statements during the debate and consideration in detail. It will be considered further, obviously, in the Legislative Council. I hope that other members will take that argument forward on behalf of the industry, as the government does not seem to be acting in the interests of the industry at this point. I think the Treasurer is essentially holding the Parliament hostage by saying that the bill would be removed and the sale would not proceed if there was any amendment whatsoever. I find that remarkable, because this is the one chance that we as a Parliament get to shine a light on the industry and set it up for the future. We get to make these sales only once. This is the appropriate time for us to raise those concerns on behalf of industry, even if it feels gagged and unable to participate in the debate.

We have been clear that we understand the machinations behind and the competitive nature of the industry and the challenges facing the industry in relation to growing competition and why there needs to be a sale. The amendment we moved would have strengthened the bill and would have strengthened the arm of industry going forward. It is very disappointing that this government does not see fit to provide the proceeds of a sale of an industry, structure and asset for the benefit of that industry. That is what we find incredibly disappointing. As I said, we will not be made to be the scapegoats for preventing the sale going forward. I have no doubt that that is what the ministers opposite would do if there was any suggestion that we would not support the sale. Therefore, I want to make it very clear that we do support the legislation but we think it could be strengthened. There is still time for the government to consider that when it gets to the other place.

MR P. PAPALIA (Warnbro — Minister for Racing and Gaming) [12.35 pm]: A couple of members opposite have asked that I speak. I want to make a contribution, albeit recognising that clearly the TAB (Disposal) Bill is a Treasury bill and that the Treasurer has led the introduction of the legislation to Parliament and has conducted that process very well. I want to respond to a couple of the contributions by talking about the bill itself. This bill came about as a response to what was requested of the government by the racing industry of Western Australia. I acknowledge that back in the early days of the discussion of the sale of the TAB under the Barnett government, we did oppose it. I opposed it and I publicly made commentary. I apologise to the member for South Perth for some of the colourful language that I may have employed at that time. However, the member for South Perth would also acknowledge that more than half the industry opposed the sale in those early days, and we were reflecting that sentiment. What happened over time, as he articulated clearly in his contribution in both the second reading and third reading stages, was that information was passed to the industry representatives, to a body called the Western Australian Racing Representative Group, which was led by Michael Grant, as appointed by the former racing and gaming minister, Hon Colin Holt. That process played out, as the Treasurer indicated. In the end, the former government was unable to bring itself to sell the TAB. There was no bill introduced to sell the TAB; there was no deal done with the industry over an amount of the contribution to be made to any fund. There was not a fund because there was no deal done. The former government's cabinet could not get itself to a point of bringing a bill to this place to sell the TAB, so it is pointless discussing what someone's opinion was with respect to the amount that might have gone to the industry. What we do know is the public statement by the former Premier that 20 per cent of the sale proceeds would —

Mr J.E. McGrath: It was not a public statement; it was in the media.

Mr P. PAPALIA: Sorry, I understood the member to say it was a public statement. There was a statement in the media reported by the member for South Perth that the former Premier indicated that 20 per cent of the proceeds

of the sale would go to an infrastructure fund. That is something that we know, but it was never progressed any further beyond those discussions.

Mr D.T. Redman: With due respect, the point you made before—by interjection, I think—was that you use the 20 per cent argument as a case against us saying that you are supporting now 100 per cent when you actually had the 20 per cent on the table before. You are saying now that it is not relevant, yet you were using that in interjection in the debate.

Mr P. PAPALIA: What I am saying is that as far as we are aware, the former Premier, in discussions around the sale of the TAB when he was leading it, was willing to consider 20 per cent of those proceeds going to a fund.

Mr D.T. Redman: And you used that argument against us for our position.

Mr P. PAPALIA: It was not 100 per cent, but the member is right. In the end nothing happened, so there is nothing to compare it to; there was no comparison to be made. The only issue now is the discussions, negotiations and deliberations that have been undertaken with the racing industry under this government. Sorry, the member for Darling Range is incorrect: the Western Australian Labor Party went to the last election with a position that said we would not sell the TAB unless the industry wanted us to. What happened when we got into office? I became the minister. What did we do? We began a process to ask the industry what it wanted to do. Racing and Wagering Western Australia was asked to conduct the process and Investec was commissioned to provide information to consultative committees from each of the codes. If people are claiming that they are not represented in this discussion, they are just not being honest. There were consultative committees from thoroughbreds, harness racing and the dogs. Those consultative code representatives got unparalleled access to information on revenue streams, projections for the future, costs, our incapacity as a state agency to compete with the multinationals, and the transition of betting increasingly away from the historic revenue streams of thoroughbreds, harness and dogs towards things like sport and just about anything else that can be bet on. That was happening at the same time as a proliferation in opportunities to bet online and by mobile phone. That was hurting us, because those big competitors can do two things that we cannot possibly match. They can advertise so much—the indication was that they could spend seven times as much on advertising. The other thing they could do was spend on technology. They can develop and build their capacity to target gamblers in ways that we will never be able to match, entice people to their product in a way that we can never possibly match, and keep throwing money at it well beyond the capacity of the state TAB.

Mr J.E. McGrath: I saw an ad on television last night. Bet365 has 30 million customers around the world.

Mr P. PAPALIA: These guys are massive, and when the industry representatives, including people representing all the codes in all the regions, saw and understood that information—they were given access to people to assist them to understand it—they said to us that we need to sell, but it needs to be done as a package. A point-of-consumption tax was considered at the same time as the deliberations around the sale of the TAB were being considered by those consultative committees and RWWA's board. Another point I want to make is that RWWA represents the racing industry. The suggestion that somehow it comprises people who do not care about the racing industry is outrageous. It is absolutely determined to represent all the racing industry and get the best outcome for all the codes. That is the best guarantee that country racing, or any racing, has—to have a principal racing authority determined to represent all the codes and all parts of the industry as best it can, and make them as sustainable as possible. That is the best way of defending the industry, not going out and making ridiculous claims about how all the money should be going into the racing industry.

The TAB is a state-owned asset; the people of Western Australia own it. I understand that the industry obviously has a deep interest and deserves some return from the sale of the TAB, but the industry does not own it. Every taxpayer in Western Australia owns the TAB, and they deserve some return as well. In the consultations and discussions with the consultative committees, they never claimed that they should get all the money. They always acknowledged that it was a state-owned asset, and that some of the proceeds would be going towards other activities of the government. In this case we have said, rightly—I think it is a very good decision—that we should get the King Edward Memorial Hospital for Women replacement up and running, and put some money aside to bring forward the build of that hospital, where 12 per cent of patients come from the regions.

It is outrageous to suggest that the National Party is acting in the interests of racing by being wreckers in this case. This process has been underway for over 18 months, with the full cooperation of the racing industry. The codes have representative committees and have had access to all the information, and they told the government they wanted to sell, member for Darling Range. The industry told the government, and that is why we did it. There is nothing in this for us. They filtered it down by going out to the regions with consultation, and the committees represent all of the industry. Eligible bodies with which the member will be familiar, including country and provincial racing, have a say in RWWA, and also have an opportunity to influence the discussion via the RWWA board. There have been very prolonged and deep discussions and consultations, and to suggest,

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as the member for North West Central did, that there is some clause that stops people from disagreeing, is ridiculous. Of course, member for Darling Range and member for Roe, not everyone in the racing industry is going to support the sale of the TAB. We conceded that and we accepted that, and so did the people on the consultative committees.

Mrs A.K. Hayden interjected.

Mr P. PAPALIA: Can you stop interjecting, so that I can actually make my point?

The DEPUTY SPEAKER: Member for Darling Range, I think the minister is being quite clear that he does not want to take interjections, so unless you want to be called, I think you should wait.

Mr P. PAPALIA: I will go back to what happened. We said we would not sell unless the industry wanted it. To determine whether it wanted to or not, we asked RWWA to conduct a process with the Department of Racing, Gaming and Liquor. That was undertaken with consultants, and with the consultative committees from each of the codes. At the same time we asked the industry—and it asked us too, because it knew there was a benefit in this—to consider a point-of-consumption tax, and the disbursements to the industry as a result of the point-of-consumption tax being rolled out. That is something that Hon Colin Holt never had at his disposal. A point-of-consumption tax was not available to him, because it had not been considered. South Australia brought it in, I think about the same time as he was talking about it, but it was the first state to do it. When we got into government, the Treasurer went to a Council of Australian Governments meeting where there was a very clear indication from Treasurers around the nation that they were going to pursue it. The only way it was going to work was if all the big participants matched the rollout of a point-of-consumption tax. It had to be somewhere around the same level, because otherwise people would be enticed to bet in different locations and the money would shift. The point-of-consumption tax undermined the multinationals who had set themselves up in the Northern Territory and were not contributing to our state—taking money out of the state and not contributing to the industry or the taxpayer.

The point-of-consumption tax negotiations were undertaken in parallel with negotiations on the sale of the TAB. The Western Australian racing industry has the most generous disbursement in the country from the point-of-consumption tax because there is an agreement about the overall package. The overall package was that the industry would get 35 per cent net from the sale of the TAB towards an infrastructure fund for the industry, and it would get the most generous point-of-consumption tax disbursement in the nation. In some states, the industry got nothing. In Queensland they were going on strike because they got nothing. In South Australia, every year the industry has to go and beg for another amount; it does not know what it will get from one year to another. In Western Australia it is better than the no-worse-off benchmark. The Treasurer had a meeting with the RWWA representatives, who fought for their industry very effectively. I am pretty certain that when he had shaken their hands at the end of the meeting, he might have checked his fingers to see whether they were all there, because he certainly left them with a very generous outcome for the industry with the money it gets from point-of-consumption tax.

Mr P.J. Rundle: How many regional representatives were consulted?

Mr P. PAPALIA: The member should understand this: it is not only irresponsible but also offensive for people to suggest that RWWA is not acting on behalf of the Western Australian racing industry in its entirety. That is offensive. I know that the former minister, Hon Colin Holt, had a really bad relationship with RWWA. That is his issue.

Mrs A.K. Hayden: That is misleading.

Mr P. PAPALIA: I am sorry, he did; he told me when I got the job. I know he did, but that is not the point. RWWA, by its charter as dictated by the act, is compelled to act on behalf of all of the racing industry codes, and all the regions, country and metropolitan. Honestly, if the money went to where it was generated, country racing would barely get any. That is not what is happening now. As members heard from the member for South Perth, there is investment in Pinjarra, Bunbury, Albany and elsewhere. It always goes on a consistent basis because communities shift. We know the population in the regions is diminishing. That is happening everywhere. As a consequence, there are fewer people to volunteer to be on committees of racing clubs. That happened in Meekatharra, but fortunately someone has moved into town and volunteered and the club is going again. Increasingly, some of those clubs just do not have the capacity because the town does not have the scale and there are not enough people either motivated or available to do those roles necessary to run a club. It is not Racing and Wagering Western Australia shutting things down because it feels like it. The member for South Perth got upset about harness racing in Kalgoorlie, but RWWA is acting on behalf of the whole of the industry and it is trying to make the industry as sustainable as possible. I think it is really offensive to suggest that RWWA is not defending the interests of country racing, because it is. I know that because I meet with RWWA regularly and talk about what it is doing and witness what it does with its spend.

Debate interrupted, pursuant to standing orders.

Extract from *Hansard*

[ASSEMBLY — Thursday, 13 June 2019]

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