

GAMING AND WAGERING LEGISLATION AMENDMENT BILL 2018

Third Reading

Resumed from an earlier stage of the sitting.

MR P. PAPALIA (Warnbro — Minister for Racing and Gaming) [3.00 pm] — in reply: I will continue with my comments. It was fortunate that the member for Hillarys was in the chamber earlier because I was addressing one of the issues he raised—namely, the live odds at sporting venues component of the Gaming and Wagering Legislation Amendment Bill. Although some professional sporting bodies currently abide by voluntary agreement not to broadcast live odds during sporting events, should any of these agreements break down, these provisions will allow the government to respond accordingly. This is a head of power provision that will allow regulations to be prescribed setting out the sporting venues and types of advertising that will be prohibited. It is a head of power to enable those specific responses. This approach complements the national consumer protection framework initiatives relating to responsible online wagering agreed by commonwealth, state and territory gambling ministers in September 2017, as well as the Australian Communications and Media Authority rules banning gambling advertisements being broadcast during live sports between 5.00 am and 8.30 pm. The principles contained in the national consumer protection framework are minimum standards. This amendment is aimed at further limiting exposure of children and other vulnerable members of the community to the advertising of live odds while they are attending live sporting events.

In response to the member's comments earlier, the intent is not to respond simply to the current level of prohibition on live advertising—to not concede that that is adequate, but to try to go further. We understand other measures are in place. There are voluntary limitations on advertising and other authorities are responding, but our response augments and enhances those responses. Therefore, I expect the opposition to support them.

Remote gambling facilities is something that earned the interest of the member for Dawesville. The remote gambling facilities part of the bill refers to technology having no boundaries. To minimise overexposure of wagering products in the public arena, the amendment prevents wagering operators from establishing shopfronts that link directly to the jurisdiction where they are permitted to operate from. This amendment does not prevent Western Australian consumers from accessing products from wagering operators licensed in other jurisdictions through their personal devices. It is not intended to be specific. It is not intended to be responding to a specific threat now. It is intended to enable the relevant agencies and the Racing and Gaming Commission to respond without having to seek authority in the event that we encounter a threat that we have not yet foreseen. That is why much of this bill is non-specific in nature.

I might now go through a little detail about Lotterywest's current operations. Having used his third reading response inappropriately to criticise me, it is a pity that the member for Carine is now not here to hear the response I have for him, in much the same way as he left the chamber during consideration in detail. That aside, I will push on and hope he reads *Hansard* this time instead of giving it a cursory glance.

Mr P.A. Katsambanis: Who is he referring to?

Mr P. PAPALIA: It is the member for Carine. He asked me some specific questions and I am answering them.

Mr P.A. Katsambanis: He is away.

Mr P. PAPALIA: He is always away.

Several members interjected.

Mr P. PAPALIA: Of course he is—almost as bad as the National Party.

Several members interjected.

The ACTING SPEAKER: Members! Member for Hillarys!

Mr P. PAPALIA: This observation was made—it was fairly ill informed—by a range of members on the other side with respect to the increased use of Lotterywest online products. It began under the previous government, when it was massively marketed in an enthusiastic fashion by the previous Lotterywest management under the previous government.

Mr J.E. McGrath interjected.

Mr P. PAPALIA: It was, to the extent that between the financial years 2013–14 and 2015–16 Lotterywest's online sales nearly doubled from \$32.2 million to \$61.4 million. That was because of the enthusiastic manner in which the management of the day pursued growing online sales. I know this because the Australian Lotteries and Newsagents Association —

Mr J.E. McGrath interjected.

Mr P. PAPALIA: I am not taking or seeking interjections.

The ACTING SPEAKER: Member for South Perth, could you keep your comments quiet for a while.

Mr P. PAPALIA: The Australian Lotteries and Newsagents Association, which represents the Lotterywest outlets across the state, raised this matter with the Western Australian Labor Party when it was in opposition. It was not receiving a hearing from the then government about the assault on its revenue stream and on its business models. The enforcement under the previous government, a regime that compelled them to spend money unnecessarily on fit-outs of their booths and outlets, resulted in not an increase in sales but a diminution in their sales. That is what they raised with us. It was the previous government that imposed that regime. It was an appalling assault on mums and dads right across the state.

The ACTING SPEAKER: Minister, we are on the third reading and you are expected to confine yourself —

Mr P. PAPALIA: Are you kidding! Are you kidding!

The ACTING SPEAKER: No. We have had quite extensive discussion on this today during this bill. I would ask you to come back to the legislation at hand.

Mr P. PAPALIA: I cannot believe you would seek to do that after I sat through —

The ACTING SPEAKER: I will call you if you dispute my ruling.

Mr P. PAPALIA: — some of the contributions from the other side.

The ACTING SPEAKER: Right; okay. Sit down. I have made a ruling and I expect you to abide by it—otherwise I will call you.

Point of Order

Mr D.A. TEMPLEMAN: The third reading is an opportunity to respond to debate points. During the third reading, we heard from the opposition a number of points, including points that the member for Carine made that the minister has attempted to respond to, even though that member now has failed to appear in the chamber to hear them. I ask the Acting Speaker to perhaps reconsider that the minister is in fact responding to issues associated with debate in the third reading, which is appropriate, and also to issues appropriate to the consideration in detail period.

The ACTING SPEAKER (Mr R.S. Love): Thank you for that, but I have heard the minister talking about the previous government quite a lot in this dissertation, and I ask the minister to come back to the bill and respond to specific points that have been raised in discussion.

Mr P. PAPALIA: Mr Acting Speaker, you were not here, so you may not be aware. I am responding specifically to issues raised.

Mr S.K. L'ESTRANGE: Mr Acting Speaker, I believe you made your decision and he is now canvassing your judgement.

Mr P. PAPALIA: I am responding specifically to issues that were raised in the course of the second reading debate—ones that I addressed during the second reading response.

The ACTING SPEAKER: Thank you, minister. I am asking you to carry on, but I would just remind you that you are expected to restrain your discussion to those specific points that have been raised and to the bill at hand; that is all.

Debate Resumed

Mr P. PAPALIA: Extraordinary! You were not here, so you do not understand the extent of the disgraceful contributions from the other side.

Several members interjected.

Mr P. PAPALIA: You were not here, either.

The ACTING SPEAKER: Minister, and Minister for Transport, I have made a ruling; I expect you to abide by it. It is not a matter for you to discuss.

Mr P. PAPALIA: Lotterywest online sales doubled under the previous government between the financial years 2013–14 and 2015–16. That is a fact. That is what happened under the management of the previous system.

Mr P.A. Katsambanis interjected.

The ACTING SPEAKER: Member for Hillarys!

Mr P.A. Katsambanis interjected.

The ACTING SPEAKER: Member for Hillarys!

Mr P. PAPALIA: Under the previous government, Lotterywest outlets were compelled to waste as much as \$150 000 in fitting out their booths and outlets. That led to a diminution in their revenue stream. That is a fact. Those impacts on Lotterywest outlets were imposed under the previous government. That is a fact. I am clarifying the situation. I am responding to some of the false accusations and claims that were made by the member for Carine during the second and third reading debates. That is why I am responding in this fashion.

I can provide further information about sales of retail-only product offerings. Since this government took office, retail-only products, like Scratch 'n' Win, combo packs and syndicates, have been heavily promoted. Online products have not been heavily promoted.

Point of Order

Mr Z.R.F. KIRKUP: Mr Acting Speaker, just for clarification, when other Acting Speakers were in your place I was very clearly brought to the subject matter of the bill. From what I can see, Scratch 'n' Win tickets are not in the bill. I am keen to understand where we see that in the bill.

The ACTING SPEAKER (Mr R.S. Love): The minister is responding to the discussion that has taken place. It is expected that he will respond to the points that have been raised. All I am asking the minister to do is make sure that he responds to those points without embellishing in great detail with some background information. If the minister responds to the points, that is fine, but if he would respond succinctly and then move on, that would be appreciated.

Debate Resumed

Mr P. PAPALIA: Anyone who is concerned or claims concern for Lotterywest outlets would applaud what this government has done. We responded to the poor management that was in place when we took office, and we stopped it. We changed the emphasis from online sales to retail sales. That has been a good outcome. It has benefited Lotterywest outlets. There is now a good working relationship between Lotterywest and Lotterywest outlets. That was not the case when we took office in March last year. That has been an impact of the government's policies.

With respect to the profitability of Lotterywest over the long term, competition, customer behaviour and operating costs are structural forces impacting Lotterywest and retailers. That is true. Lotterywest has reduced its operational expenses significantly since we took office. If Lotterywest reduces its operating costs, it benefits all of the state, including Lotterywest outlets. In the last 12 months, Lotterywest has reduced its operating costs by over six per cent. Since the election, retail-only Scratch 'n' Win products have increased as a proportion of total Lotterywest sales. That is to the benefit of Lotterywest outlets. That was not the case before the election. Lotterywest continues to heavily promote retail-only products—Scratch 'n' Win, combo packs and syndicates. Over the last five years, Lotterywest has invested \$12.3 million to promote those products, and it will continue to do that. The difference is that there will not be the impost on Lotterywest outlets that existed under the former government in the form of forced obligations to change their layouts, restrictions on their ability to use corflutes to promote big prizes, and limitations on their signage to single digital signs that did not work. That has all gone. That has been fixed. That is what I was referring to when I said we have fixed that problem. That problem has been addressed.

The relationship between the government and Lotterywest, and Lotterywest outlets, is now harmonious. I assure members that was not the case only a short 18 months ago. Anyone who has met with Lotterywest outlets, like the member for South Perth, would know that is the case. People who did not have anything to do with them and did not care about them would not know what they were talking about. I assure members that Lotterywest management and the government, and Lotterywest outlets, are now working together. The new shop fit and signage approaches have been introduced by Lotterywest and have been well received.

I will repeat the comments I read earlier from the CEO of the Australian Lottery and Newsagents Association, the body that represents Lotterywest outlets in this state. The CEO said —

ALNA is very pleased that the WA Government, having demonstrated their leadership already, have now gone one step further introducing laws that at a state level are even stronger, to stop disruptive online lotto betting bookmakers and their models that undermine Lotterywest from occurring, and giving them the flexibility to deal with new unforeseen models.

The relationship between the government and Lotterywest, and Lotterywest outlets, is far better than it ever was throughout the entire eight and a half years of the former government. We are focused on helping small business. Lotterywest outlets are small businesses. Tomorrow morning, I am going to the ALNA executive breakfast, and I will enlighten its members about some of the contributions that were made in the debate over the last week.

I exhort the member for South Perth, as the shadow Minister for Racing and Gaming and as a person who actually knows something about the subject of this legislation, to encourage his party room to ensure the hasty passage of this bill through the upper house. That is in the interests of the bookmakers, the people who care about harm

minimisation, and all Western Australians who care about Lotterywest. Above all, it is in the interests of the Lotterywest outlets. They are the ones who want this legislation to go through. We do no-one any good in delaying this legislation. We do no-one any good in spending additional time considering what is largely an omnibus bill that the previous government was interested in passing but could not get its act together to introduce to the Parliament. As I said earlier in my third reading response, with the exception of the Lotterywest and Lottoland components of this bill, everything in this bill was part of the recommendations that were before the previous government from 2013. Three consecutive ministers in the previous government failed to get priority to get that legislation into the Parliament, and failed to respond to the stakeholders involved. Therefore, we are fixing that. It should not be controversial. It should not have engendered any great discussion. I understand that some members in this place were not in the Parliament at that time, but a lot of them were. Many of those members would have been in the party room, and many of them would have been in the cabinet that made the decision that this was a lower priority and they did not need to give priority to those bits of legislation. Nevertheless, they supported the idea and the concept of the legislation.

I turn now to the Lottoland component of the legislation. I have read the federal legislation to this house. It is actually not that comprehensive. It could conceivably be worked around. Our legislation provides a head of power to enable our agencies and the Gaming and Wagering Commission to respond, as necessary, to unforeseen threats should they eventuate. That is the intent. I should mention also, member for Hillarys, that I have good information that suggests there is not a high likelihood of a challenge in the High Court. I have heard in the last couple of days that it is unlikely that Lottoland will take on that challenge. It is more likely that it will go away and work on a different business model.

Mr P.A. Katsambanis: But someone in the future could do that.

Mr P. PAPALIA: That is true, but it is unlikely to be the case with these particular players, who are the most aggrieved at the moment. I have heard from people in the industry who suggest that is not going to happen. That aside, were the federal law to be challenged in the High Court, it would not invalidate our law. We are not using the same terminology or pursuing the same methodology. Other states, such as Victoria and South Australia, are using other methodologies as well. I am comfortable that it is all secure and we will not fall foul of any constitutional problems. The information I have suggests there is a very low likelihood of any challenge at the moment.

Question put and passed.

Bill read a third time and transmitted to the Council.