

TAB (DISPOSAL) BILL 2019
BETTING CONTROL AMENDMENT (TAXING) BILL 2019

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

HON COLIN HOLT (South West) [5.11 pm]: I was talking at length about the establishment of the infrastructure fund. I was going to the point that we would establish a fund to address the infrastructure needs of the industry, surely. If we were going to establish some sort of fund to help address it, we will probably need to have some idea of what are the industry's needs. I have outlined a couple of ideas. One came from the Western Australian Racing Representative Group, which probably did not have access to all the pertinent information to make that assessment. I also talked about discussions with the board of Racing and Wagering Western Australia, which in 2016 said the racing industry needed \$150 million, and which is probably in a much better position than most to say what the racing industry's infrastructure backlog is. I was getting on to the point that I know that it has done a number of audits of race clubs to ask them about their infrastructure needs. These infrastructure needs are for not only race clubs but also RWWA itself, which owns infrastructure like Lark Hill and the Byford Harness Club complex. Now RWWA also runs greyhounds, so there is probably some stuff in the Mandurah greyhound track and probably Northam that needs addressing. RWWA would have the best idea, because it has been looking into this issue.

In my view, the government will not provide enough with the 35 per cent distribution to the industry. Some of the commentary around this is that it will not be spent in lump sums anyway; only the interest will be spent. But, again, how is that ever going to keep up with the backlog?

I was interested in the evidence around the establishment of an infrastructure fund that is going to deliver on the industry's needs. I asked a question on 16 May this year to the minister representing the Minister for Racing and Gaming, which was —

I refer to current racing infrastructure in Western Australia.

Please provide a list of all outstanding infrastructure needs for the racing industry including the name of the club, the infrastructure required and the expected cost of the infrastructure.

I knew that Racing and Wagering Western Australia had been doing that work. The minister replied —

I thank the member for the question. I reflect on the comment Madam President made before. The following information has been provided to me by the Minister for Racing and Gaming.

The infrastructure requirements for racing is a matter for the industry. That is why we have established an infrastructure fund so that the industry's infrastructure investment needs can be addressed over time.

That was the answer. The minister basically said that it is a matter for the industry, and that is why the government is establishing the fund. If the government is establishing a fund to meet the needs of the industry, it must have a bit of an idea about what the needs of the industry are. That is what I was asking for, so that we can say, "Yes, good on you for providing 35 per cent, whatever that may be." That is another point of contention that will probably come up in the minister's second reading reply. Seriously, that was the answer from the minister responsible for this industry. It is the Treasurer's bill, but we assume that the Minister for Racing and Gaming has had some input into it, to say what it can address. That was the reply we had to the question. I thought it was interesting.

I remember when we were going to have a briefing on the bill. The staff in the minister's office is actually quite helpful. In some pre-conversation, they asked whether there were any questions we might want addressed at the briefing. I said, "Actually, I would really like a list of infrastructure needs from the industry." Some indication to me was, "Yes, okay, we will provide something at the briefing." But when I got to the briefing, I was told that they were not supplying that information. These bills are being brought before the house. The government wants some support for its bills, including the allocation of 35 per cent of the net proceeds of the sale, which is written in a clause, yet it is not prepared to provide the evidence that that 35 per cent, whatever amount that may be, will address the needs of the industry. We should at least have some sort of figure about what we are shooting for. What is the government trying to address for the industry? There has been no supply of that information. I do not know why that is. I know that RWWA has been doing the work on it, because the clubs themselves tell me it has. At some point in time last year, when the discussion paper was brought out by Treasury and it went to the clubs and the industry to talk about the 35 per cent, which was written in the discussion document, surely the government gathered some information about what the industry's needs are, so that we know that the infrastructure fund will meet those needs, but we get nothing back. Again, that is one of the reasons we think the industry is getting short-changed, because there is no evidence to the contrary, except that this 35 per cent is what we are going to get.

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Interestingly, as a result of that question and the lack of response in the briefing, I decided that the only way I can find out about it is to write to the clubs themselves and ask what infrastructure needs they have, hoping that some of them will respond and give us some indication. I received some responses—not many, I have to admit. There is probably a variety of reasons for that. Obviously, some of the clubs are run by volunteers. Some of the clubs are seasonal, and many of them have very scant resources to put to this request. However, I know they have engaged with RWWA, and RWWA has a list of it, so some of them could potentially provide it to me. Not all of them did. That is disappointing, because I cannot give a definitive answer to the question of what the infrastructure needs are. I did get some responses. I will read an excerpt from some of the responses I have. One is from the Williams Harness Racing Club. It writes —

Thank you for your email regarding infrastructure ...

The list for our club is as follows no dreams here just badly needed update —

They are not putting in a wish list —

1. New Judges / Announcer Stand
2. Shade Cloth over back back stalls—17 stalls
3. New wash bays—2
4. Up grade to stall area—concrete flooring and wooden back boards

That email from the Williams Harness Racing Club lists what it needs for the ongoing operation of its race day. It does not list social aspects that the club might need, such as a new bar area or a new fridge for the bar; it is stuff needed for the club to have a harness meeting at the Williams trotting track. It is important to make that distinction, because this is what the club needs to continue to operate. I make the point that although any acquirer of the TAB will have no influence on where the proceeds of the sale will go, it may well like more of the proceeds to go to race clubs as well, because it will want to ensure that the Williams trot meeting and other events, which I will refer to later, go ahead. The acquirer could say that if we give the clubs a bit more to ensure that they come up to spec on occupational health and safety and all the rest needed to make a race day occur, it might contribute more to the potential price of the TAB licence.

I have correspondence from the Pinjarra Race Club, which is a major regional race club. One could argue the point with the Bunbury Turf Club, but Pinjarra is probably the most important race club outside Perth in terms of its contribution to the industry. The club was happy to supply me with its infrastructure needs, because not long ago it gave this list to RWWA. Again, this is a list of some of the club's issues. Its needs include meeting future occupational health and safety requirements; float park perimeter fencing; a horse ambulance ramp, winch and slides; a plastic running rail; track entry points; chutes on the running track; bore replacement; placegetters stall replacement; secondary track replacement; a verti-drain; and a water truck. It then lists some race club facilities, such as a new administration office and some public facilities. The major project listed is the construction of the second bend on the main track. The club's focus is on how it can keep the racing industry and the races going. Again, I am sure that any acquirer of the TAB will make sure that the funding delivers on this outcome, so that it can continue under its licence to deliver the necessary funding back to the industry as agreed in the contract.

I have correspondence from a gentleman who supports one of the regional racetracks. He is involved in the maintenance of the track and talks about the need to replace the reticulation—the sprinklers, the new bore pumping system and the machinery to support that. He does not give any precise figures, but he thinks it is about \$500 000 here and \$30 000 there. If these infrastructure needs are not addressed, they will not be running on that racetrack. Let us say that that is eight meetings of eight races—that is 64 races that will be taken out of the equation. The new wagering operator would suddenly have 64 fewer races for people to wager on and to deliver the outcome that industry is expecting. I am sure that the acquirer would like to see these sorts of things addressed in any infrastructure fund, but we do not know how much it will be.

I received an email from one of the more remote race clubs, which runs only a seasonal event. It is asking for simple things such as a new race caller's box. It would probably be an occupational health and safety issue. If the club does not get some of its infrastructure needs met, it will not be racing, which will take out an amount of wagering money and tax and put at risk a major social event for the year in that town. I have correspondence from others who tell me that they know where the needs are out there, but there is no way that a 35 per cent share will cut the mustard to address those needs, even over time. There is no expectation that these things can be fixed overnight, but I reckon there is an expectation that this is the one opportunity to realise value out of an asset that was built by the racing industry and to get a kickstart that will set up the industry into the future. The point I continually made to RWWA when I was the minister, which it finally agreed with, is that, done right, with the right outcomes for industry in terms of ongoing distributions year in, year out, this is a real opportunity to give the industry not only a boost but also a kickstart to fix as much infrastructure as it can. We are not at that point. At

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some point, the industry will come back to the government and say, “We’ve run out of that money”, or, “We still have all this backlog that hasn’t been addressed because we didn’t realise that much money out of it. What can you do to help us?” Of course, this government has not considered that or has not put any value on that because it has said from the very beginning that 35 per cent would be it.

Interestingly, after the debate on the bill began in the other house, I received further correspondence from various groups. I had asked them about the 35 per cent share and whether there was any support for an amendment, which we can do in this house, to change that amount. I received an email from the Western Australian harness racing Breeders, Owners, Trainers and Reinspersons Association. It states —

WABOTRA believes that the money generated from the sale of the TAB Should quite rightly be injected back into the racing Industry to sustain a vibrant future and address the current back log of infrastructure needs for regional racing.

That is WA BOTRA’s view. That email was sent to me on 6 June. A few days later I received an email from someone from the West Australian Country Harness Racing Association, which is kind of related to WA BOTRA. The email states —

While WACHRA ideally would like the total proceeds from the sale of the TAB to be totally directed to the WA racing industry—in reality WACHRA accepts reluctantly the proposed 35% split if this is what is required to get it passed through Parliament.

I believe the 35% has been the negotiated figure by the various Racing Consultative Groups and we have accepted their decision on this matter.

This is the crux of the matter and where it is now. I have said for a long time that we need to investigate what the sale of the TAB will look like and what a dealer can deliver for the industry, but that I do not agree with the split of the proceeds. Somehow, these guys have expressed that we should do it anyway, even though WACHRA does not agree with the 35 per cent share. That figure has not been negotiated; it is the starting point that this government put to industry. It said that it is not moving on that figure—take it or leave it. Of course, industry has said, “We know the point we are at and we probably need to take that deal.” There has been some run-around in trying to prove the point that industry agreed to a 35 per cent share, even though that correspondence clearly states that they think the industry needs and should get more. I have correspondence from other industry groups that states exactly the same thing —

We are hearing that it is forecast, that the Industry will only receive 35% from the sale of the TAB and the government is taking the other 65%. This raises concern for the future of the industry and its ability to survive.

I received that email on 11 June, after the bill was first brought to Parliament. There was all this negotiation and consultation with industry by the government and RWWA, but we still have groups out there saying that they do not think that the 35 per cent share is enough. I know that the government will present some evidence from the governing bodies and consultative groups that it is exactly what was agreed to, but I think evidence is coming out that not all industry groups agreed to it, because some probably never knew about it until the bill came along. Interestingly, I received a note from Perth Racing, one of the biggest groups in the racing industry, which also agrees that 35 per cent is not enough. I am sure that group has written to the Minister for Racing and Gaming saying the same thing. Some groups may even have written to the Treasurer in response to my email telling them that it was their one opportunity to get a better deal so they had better write to the minister or Treasurer to see whether they could do it.

It was very interesting that after the debate on the TAB (Disposal) Bill in the other place, RWWA organised some outreach industry consultation. Hon Dr Steve Thomas attended the session in Bunbury, and I went to the one in Northam. If the consultation had been tickety-boo all the way through and the whole racing industry had agreed that this was the right bill, as we have been led to believe by the government, why is there the sudden need to do outreach on the TAB (Disposal) Bill halfway through its passage through Parliament? I can guess. It is probably in response to some issues I have raised and the members of our party raised in the other place. The government probably thought that it should make sure to shore up support for the bill. I got a letter on 2 August from a group saying exactly that. I will quote it, because it is important. It is from the Busselton Harness Racing Club. Its consultation session on the TAB (Disposal) Bill was held on 26 July 2019, and this came to me on 2 August. It is a copy of the letter the club sent to Hon Paul Papalia, the Minister for Racing and Gaming. It states —

Dear Minister,

I am writing to you on behalf of the Busselton Harness Racing Club with regard to the draft *TAB (Disposal) Bill* ... The Busselton Harness Racing Club Inc supports the *TAB (Disposal) Bill* as drafted and unamended as we believe this provides the right legislative framework to best negotiate the sale of the TAB and support the Western Australian racing industry going forwards.

... We look forward to progressing this matter.

That sounds like catch-up consultation to me. The government says it has consulted widely and that everyone has agreed to 35 per cent, but it has gone back to tell groups to write to the minister to say they agree with the bill, because the government did not have any evidence of it. Again, we might see some different evidence from before the bill was first presented to Parliament. However, I suspect there will be a lot of evidence like the letter I just read out from the Busselton Harness Racing Club—that is, that it agrees to the bill because that is the only thing it has.

The government has said that it will accept no amendments to the bill, otherwise it will pull the whole thing. I think that is a very real threat. The threat is that this is what the bill is and the government will not negotiate any change to it. If it is changed, the whole thing will be off the table. That is holding this house to ransom. The government is saying that it will not change anything, even if the bill is amended and, in fact, it will take it off the table. This has been discussed many times and this side of the house agreed that the market should be tested for a sale of the TAB immediately. That was back in 2017! I suggest that the minister will respond and say that the government will not accept any amendments. I notice that Hon Alison Xamon has an amendment on the supplementary notice paper.

Hon Alison Xamon: Several!

Hon COLIN HOLT: Several. They are to do with Trackside.

If this house agrees to those amendments, I suggest that the whole bill will be sunk. That is not the outcome that I want to see. I am keen for industry to realise as much value out of the position it is in right now as possible.

Government members have an opportunity to make heroes out of themselves by moving an amendment that will increase the return to the industry. In their contributions to debates in this place, Hon Darren West, Hon Adele Farina and Hon Samantha Rowe were very committed and worried about the state of the industry if the TAB were to be sold. Here is their opportunity to go to the minister's office and say that they know that the government has negotiated to give the industry only 35 per cent, but they have made statements in this place on the record saying that the industry will be at risk if the government does not look after it in the sale. They said that it would be a disaster for the industry! Now is their chance to go to the minister—they will probably have to go to the Treasurer's office because the Minister for Racing and Gaming obviously agreed to 35 per cent and I am not sure how forceful an argument he made—and suggest that government members bring forward an amendment, make themselves look like heroes and support the industry for the future. We will all agree with it. When the bill goes back to the other place, it can be agreed to and we can all move on.

I suspect that if any of us suggested that we would move an amendment, the government would disagree with it, pull the bill and blame the upper house and all members here who voted for the amendment. It would say that we had ruined the racing industry. This is the government's chance to move its own amendment recognising that the industry's infrastructure needs will not be met. If 35 per cent is a good deal, do members reckon that 65 per cent is a better deal?

Hon Colin Tincknell: Yes.

Hon COLIN HOLT: Yes. I do not see how it could not be a better deal for the industry. The government has said it had agreed on 35 per cent and that it is a really good deal. But hang on a minute—50 per cent or 65 per cent would be a better deal. How about that? Members opposite were outraged in opposition and said that it would be too risky for the industry, but now we are at the pointy end of the debate. They now have the opportunity to stand by the words of conviction they spoke when they sat on this side of the house. They should go to the minister and say that they want to stand by their remarks from four years ago and give the industry a bit more. If they wanted to, they could suggest moving an amendment that would give the industry 35 per cent or \$150 million—based on the RWWA figures from a few years ago—whichever is larger. If the industry would get more from 35 per cent of the sale, the government can go with that, but if the government thinks it will be less than that, it should make \$150 million the minimum. That would be a really good amendment. Members opposite should think about it and put it to the minister. I will leave that to them. I am sure that the minister representing the Treasurer will make a second reading reply. Maybe the minister can indicate whether the government will take up that offer or ignore it and not worry about the industry now that it is no longer politically convenient. Government members made those arguments in opposition. Is it not politically convenient to make those arguments in government? Give me a break! If members opposite are concerned about the industry, they should convince the minister and the Treasurer to move an amendment to bring about those things. Again, I surmise that any amendment moved in this place will be rejected. The government would have to accept an amendment if we all agreed to it, but I think that would be the end of the bill. That would leave the industry in no position at all.

Before I sit, I want to lay out the position of the Nationals WA on electronic racing and the amendments on the supplementary notice paper. This is one of those difficult decisions that requires balance. A lot of letters I have

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received alluded to the thin end of the wedge, the slippery slope, and the proliferation of poker machines throughout the community because of the inclusion of Trackside in this bill. I do not accept that. I think they are very different forms of gambling. I think that it is a low-impact form of gambling, if you can have that. It is a low-impact form of gambling compared with poker machines at which people sit and continually push buttons. The impact on the community can be minimised if it is regulated in the right way. I suggest that the minister outline that regulatory environment at some point in his second reading reply. In that way I think it will have a minimal impact and, on balance, add value to the sale of the TAB. We will then have to weigh up whether that benefit is greater than the potential risk of problem gambling. In this situation, in an environment in which Trackside is regulated, there will be some real benefit for an industry that supports many people. If we look at some of the figures in the Treasury discussion paper, it shows that the racing industry provides more than \$682.3 million in direct expenditure to the state. It also states —

- more than 24,400 individual participants in the Western Australian racing industry (as an employee, participant or volunteer); and
- an estimated contribution of 7,360 full-time equivalent positions in Western Australia

That is what we are trying to support through the inclusion of Trackside in a certain way. It might add only three or four per cent value, but in an industry that large, it will add value to the ongoing sustainability to the racing industry.

I completely understand people's concerns about problem gambling. We all should be very proud of this government, the previous government and any iteration of Parliament that has said, "We are not going to have poker machines in our community, like in every other region." It is for that reason that we have such a low problem gambling rate in this state—the lowest of all states. By including simulated racing in the bill, we will minimise the risk of problem gambling getting worse and at the same time provide value and benefit for the racing industry in the future. People have to remember that racing exists for wagering. It is different from any other sport in Australia. Legal sports betting has been only a recent phenomenon. Those sports exist because they are a recreational outlet. Industries such as the racing industry exist because of the wagering market. It is a really difficult concept, but that is why there are race days. It provides social cohesion, social outlets and community benefits too, but that can happen anywhere. It can happen on a basketball court and while people eat scones and morning tea with the Country Women's Association, but the racing industry exists because it is borne out of wagering. That is why it puts on the product. We cannot get away from the fact that racing is related to wagering. In my mind, virtual racing is another product that will potentially add value to the TAB.

One of my greatest concerns when I was minister, and still is now, is that the retail market—the bricks and mortar of the Western Australian TAB network; the PubTABs and TAB agencies—is at great risk of any new acquirer closing all of them and taking customers only electronically. That would be a really bad outcome. Participation rates in retail outlets have been decreasing, but previously they were the only place that people could place a bet. Over the last five to 10 years they have gone from being the only place that people could place a bet to maybe 60 per cent of the time now. It might be worse or better than that, but there is still real value in retail outlets. There is real value in acquiring them and there is real value for those guys who run them, but we have to look after them. I am very pleased with what is in the bill and how that will protect franchisees, most of which are small businesses. We have done well to address their needs. I was always very concerned about how we would do that, but virtual racing in agencies will help to overcome some of those barriers. They have all experienced drop-off in their returns and it has become harder for them to make ends meet and to cut a profit. Although I speak on behalf of the Nationals WA—of course, they may disagree with me at any time and propose an amendment—I have come to the conclusion that this bill strikes a balance between providing a real benefit for the industry while managing some the risk to the community of problem gambling. That is where I will leave that now.

The last thing I reiterate is that the safeguard in the bill is the industry's agreement to the racing distribution agreement. Do not assume that just because we agree to this bill, the TAB will be sold. Do not assume that because we agree to this bill that King Edward Memorial Hospital for Women will get 65 per cent of the proceeds, because the industry could still say, "We don't like the deal, so we're not going to transfer the funds." Then, of course, there is the question for the government about how it will fund that commitment. That is not really predicated on the sale of the TAB, because the government made a commitment that it will pay for it because it made that commitment. But, of course, we hope that a good racing industry distribution agreement is agreed to. Industry will do its proper due diligence and maybe it will need to somehow go beyond normal consultative processes. I do not know how it will do that in a commercial-in-confidence situation, but it has the power to say, "If we don't like the agreement, we are not agreeing to it" without the government saying, "Well, you've got to agree to it now, mate, because guess what? We promised 65 per cent to King Edward Memorial Hospital." I hope the government understands that and that industry is not pressured into agreeing with a racing distribution to which it does not agree. That is the safeguard that this house is relying on in this legislation for the sale of the TAB to go ahead.

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HON CHARLES SMITH (East Metropolitan) [5.46 pm]: I rise to make a brief contribution in the cognate debate of the TAB (Disposal) Bill 2019 and the Betting Control Amendment (Taxing) Bill 2019. I will not offer any history on the Western Australian racing industry, but I will offer a history of the hypocrisy of the Premier of this state. Let us examine the evidence. On 3 June 2015, in a media release, the Premier stated —

If the TAB was sold, that money would disappear from WA into the pockets of a private owner.

By all means correct me if I wrong, but that is what happens with the proceeds of a sale, and now the Premier is happy with that. Further, in a media release from 28 June 2016, the Premier said —

“WA Labor will always oppose further introduction of pokies and similar gaming machines in Western Australia because of the financial misery they cause.”

Correct me if I am wrong, but we will be introducing similar gaming machines into Western Australia. I assume that the Premier is now happy with that situation. On 16 September 2015, the Premier stood up in the other place and talked about how successful the TAB was, stating —

In the coming year there will be a 7.9 per cent increase in the proceeds to the racing industry. What other industries in Western Australia are growing at that rate? Can anyone name any in the current environment?

He now advises that the TAB is a depreciating asset that needs to be sold. He continues —

... the industry provides contributions to what is called the sports betting account of around \$4.5 million a year. These proceeds from the racing industry are being used for community purposes—a bit like Lotterywest, but the money does not come from lotto and scratchies and the like. Where do those grants go? They go to Lifeline WA, Sea Rescue Fremantle and the Riding for the Disabled Association of Western Australia. In fact, over the last few years, more than \$30 million has been distributed to organisations in Western Australia such as Royal Life Saving WA, the Australian Paralympic Committee and organisations dealing with people who are suicidal and the like across WA. The racing industry in Western Australia makes contributions to those community organisations. Do members think that the major corporates who own the TAB in the eastern states make those contributions? Does anyone think they do? Of course they do not. They operate in the interests of their shareholders.

I am not sure what is proposed to change, but privatisation involves that very process. He continues —

The TAB itself employs in the vicinity of 400 people. A lot of those jobs are administrative jobs that can be done in the eastern states just as well with today’s technology. Jobs could very well be lost. Actually, let us be frank: they will be lost if the TAB is sold.

Correct me if I am wrong, but that scenario still exists. Therefore, I assume the Premier is happy for those jobs still to be lost.

As I have told members, the Premier is also very concerned about gambling, so much so that he stated in 2016 —

“All that will mean, is more people will pour money into those machines, ... particularly those on pensions, and those who can least afford it, will lose money,” ...

“It brings some of those social ills, in particular gambling addictions and the like that we’ve seen in NSW, Victoria, and Queensland now for decades to Western Australia.

“It is a very, very disturbing development and I oppose it absolutely.”

Obviously, the Premier does not oppose it any more. However, I do. I take those concerns very seriously. I am concerned about the so-called social ills that the Premier mentioned.

What has happened to the Labor Party—the compassionate party, which cares about people? In 2016, the Premier spelt it out for us. I agree with what the Premier said at that time. Obviously, the Premier has had a change of heart.

I will not be supporting this bill in its current form, due to the addition of the simulated racing component. It says a lot about this government when its leader can rightfully say that gambling, particularly through the use of modern gambling machines, causes financial misery, and only a few short years later open the door to more gambling machines. To me, it is the worst kind of hypocrisy when that is done knowing that it will surely cause harm. Thank you.

HON RICK MAZZA (Agricultural) [5.51 pm]: I rise to speak on the TAB (Disposal) Bill 2019 and the Betting Control Amendment (Taxing) Bill 2019, which we are debating cognately. The Betting Control Amendment (Taxing) Bill is a small bill, comprising just a few clauses, to impose a tax on the industry. However, the TAB (Disposal) Bill is a significant enabling bill that will provide a fair bit of scope to the government in trying to negotiate the sale of the TAB.

The TAB (Disposal) Bill provides for the sale of the whole or part of the assets and liabilities of any business currently managed by Racing and Wagering Western Australia. One key function of the bill is to provide the

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necessary authority and framework to enable the sale of the Western Australian TAB assets. Another key function is to provide for a racing infrastructure fund to be established from 35 per cent of the net proceeds from the sale of the TAB. The explanatory memorandum refers to the net proceeds after the costs of selling the TAB. During Committee of the Whole House, I would like to know a bit more about what is meant by “net” proceeds. Obviously amounts will be taken out of the proceeds that are received by the government from the sale of the TAB. I will be interested to know whether the estimated \$1.2 million that will be paid to Crown will be deducted from the sale price when the government divvies up the 35 per cent, and what other costs will be taken out of the eventual sale price.

The bill provides also for the establishment of a new wagering licence regime to enable a private operator to take over the TAB. That will include a racing distribution agreement, under which the new operator will be obligated to assist in providing funding for the industry. I understand that a three-year floor must be maintained to ensure that the industry will be no worse off for the first three years, after which time it will be thrown open to market forces.

It is interesting to note that the bill provides for a wagering licence term of up to 40 years, with a possible two-year extension. I am not sure why we would need a two-year extension after 40 years. I will be just on 100 years old by the time that licence expires. Two years seems like an odd length of time to tack onto a 40-year licence, but, anyway, that is what the legislation proposes.

The bill also seeks to remove the impairment on simulated racing. That has been discussed by previous speakers tonight. Some people do not have much of a problem with simulated racing. It has been described as being a bit cartoonish. From what I have seen, it is quite realistic; however, it is still not a real race. I have received a lot of emails, as have other members, from people who are concerned about gambling addictions et cetera. One of the key issues with simulated racing is that it is not driven by the punter pushing a button or pulling a lever in order to bet. It will occur at predetermined times. If a person wants to undertake that activity within a bricks and mortar TAB agency in between races, I do not see that as a major issue. Many betting platforms are available for people who have a propensity to gamble, which can be quite a destructive and corrosive habit. They include online betting. There is a lot of advertising of online betting. It is quite glorified. Those people are obviously a target market. Simulated racing may not appeal to a lot of people, because of its nature, so it probably will not cause much of an issue with problem gambling.

The TAB was established in 1960, so it has been in operation for quite some time. As Hon Colin Holt articulated very well, over many decades the industry has contributed towards increasing the value of the TAB. Therefore, to my mind, the value of that asset should be hypothecated back to the industry to enable it to provide infrastructure and improve its facilities. How much money will be returned to the industry for maintenance et cetera is a bit of an unknown, but the TAB has had some pretty good infrastructure in place since the beginning of its establishment.

According to the “Racing and Wagering Western Australia 2018 Annual Report”, the Western Australian racing industry generates more than \$682 million in direct expenditure, with more than half that expenditure occurring in regional areas. There is no doubt that in regional Western Australia, race day is a big event, whether it be held on a dusty outback track, or in a more established regional town. It is a big social event. People usually get dressed up for it, have a couple of champagnes, enjoy themselves, and have a great day. The industry provides support to regional areas, as Hon Colin Holt pointed out. Horseracing, and even dog racing, is designed specifically for wagering, which has taken place since racing began. It is a big industry for country and regional Western Australia. The training and preparation of racing animals results in more than \$165 million in expenditure. In excess of 823 000 racegoers attend thoroughbred, harness and greyhound race meetings in Western Australia each year. Over 57 per cent of those attendances occur at country racecourses, with Peel and the south west representing the largest region. More than 24 000 individuals participate in the Western Australian racing industry, as an employee, participant or volunteer. The economic activity generated by the racing industry sustains more than 7 360 full-time equivalent positions in Western Australia. On average, 260 community organisations and charities are financially assisted by the industry, and over 150 community organisations share race club facilities and resources.

It is a big and important industry for Western Australia, particularly country Western Australia. When we think about all the inputs for racing, whether that be stockfeed, transport, veterinary services, stewards or the TAB, we realise it is a huge and diverse industry. I remember that in the 1960s and 1970s, when I was growing up, my family on my mother’s side were avid racegoers. My uncle was a horse owner and trainer, and his parents—my grandparents—were particularly interested in horseracing. It was very common on a Saturday afternoon to see everyone huddling around a transistor radio and listening to the races, and then sooling on their horse, as though that would make a difference over the radio, and then either tearing up their tickets in disgust, or being elated by a win that washed away all the losses they had made in the weeks previous. It was quite a social event for them at that time.

Sitting suspended from 6.00 to 7.30 pm

Hon Colin Holt; Hon Charles Smith; Hon Rick Mazza; Hon Aaron Stonehouse; Hon Colin Tincknell; Hon Stephen Dawson; Acting President; Hon Alison Xamon; Hon Nick Goiran

Hon RICK MAZZA: Before the break, I spoke about the importance of the racing industry in Western Australia generally, and in country Western Australia in particular, and how racing and wagering is part of the fabric of the community. Many people who have been exposed to racing say that it is a good day out.

Hon Darren West: Sport of kings!

Hon RICK MAZZA: It is the sport of kings. You would have to be a king to afford it, Hon Darren West. That is for sure.

I would like to hear more about the mechanics of how this fund will be administered and how it is going to work. My understanding is that Racing and Wagering Western Australia has a wish list of infrastructure spending, but the briefing I had suggested that it will not have the amount of money to spend on infrastructure that it would like to have. It would be interesting to know how RWWA is going to administer that fund. At the briefing, I asked whether we could have a copy of that wish list, but I have not yet received it, so I am not quite sure what the list of infrastructure spending will be. At this time, we do not know whether the fund will be self-sustaining in the out years. One of the things that we do not want to see is the WA racing industry dwindle away over time. There has been a lot of speculation that the TAB was worth a lot more five or 10 years ago than what it is worth today now that it has a lot of competition.

As I mentioned earlier in my contribution to the second reading debate, the industry itself is very important to rural and remote communities from a social aspect—for jobs and income and keeping the town together. In 2018, the Community and Public Sector Union–Civil Service Association of WA in its submission to the Department of Treasury’s discussion paper “Future of the Western Australia TAB” wrote —

... establishing a Racing Infrastructure Fund through a portion of the proceeds of the sale, would be beneficial to industry, however may be difficult to achieve in practice and only valuable to industry in the short term.

In regional areas particularly, a lump sum funding injection to industry may be attractive, however without intensive and ongoing support to industry, infrastructure such as track maintenance is likely to degrade over time. “No worse off” is not feasible, particularly in regional areas which have historically relied heavily on ongoing infrastructure support. Privatisation examples in other jurisdictions such as Queensland who adopted the contractual model which is being proposed, had a negative impact on the ... industry of racing with a projected \$40 million loss to the industry over two years.

The money generated by the sale of the TAB is not money that the government had in the past. I know that 65 per cent of the proceeds of the sale will be allocated to King Edward Memorial Hospital for Women. We do not yet know what the sale amount for the TAB will be. It is a little imprudent to speculate on how much the TAB is worth. If we are trying to attract a buyer and get the best price for the state, speculating about what we think it might be worth is probably not a prudent thing to do. We should really let the market decide what the value of the TAB is and not disclose our hand about what we think it might be worth.

We are going to deregulate the TAB once the sale takes place. Part 6 of the TAB (Disposal) Bill amends the Betting Control Act 1954 by introducing a new wagering licence, which I alluded to earlier, that will be valid for a maximum of 40 years, with a two-year extension, which seems quite odd. The wagering licence will allow totalisator and fixed-odd bets on races, simulated races and events, with the licensee to pay up-front and ongoing fees. A condition of the wagering licence will be to provide the necessary structure for the racing industry to receive ongoing funding. Any failure to do so will be grounds for possible disciplinary action. The product fee will be paid by the operator from its wagering activities and set as a percentage of the operator’s gross wagering margin. The funding guarantee period will lock in the minimum level of funding provided by the TAB operator for the initial three-year arrangement.

We are going down this path. As I say, I have some concerns about the fact that the industry has contributed to this asset for over half a century and will get back only 35 per cent of that contribution, which is quite unfortunate. But, in any case, I support the bills. The privatisation of the TAB is something that should have occurred some years ago. Obviously, there was opposition to that in years gone by. In conclusion, I support the bills.

HON AARON STONEHOUSE (South Metropolitan) [7.37 pm]: I rise tonight to speak in the cognate debate on the TAB (Disposal) Bill 2019 and the Betting Control Amendment (Taxing) Bill 2019. The Australian wagering industry has experienced strong annual growth, averaging 6.5 per cent over the past five years, with 5.4 per cent forecasted from increased per capita gambling expenditure associated with rising household income. Industry growth has not been uniform, however, and there has been a shift away from retail-based betting towards digital channels, fixed odds and sports betting. The TAB in Western Australia is being challenged by the aforementioned changing consumer preferences. Added to this, the market has seen intense competition from larger operators with strong economies of scale. The TAB, it seems, cannot effectively respond in its current size and form. The case

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for selling the TAB essentially boils down to the idea that a larger operator will be better placed to manage these challenges over the longer term through the benefits of scale and efficiency.

Unfortunately, the thoroughbred, harness and greyhound racing industry is an industry in decline, averaging negative 2.3 per cent annual growth over the past five years. In WA, the revenues amount to about \$682 million. The industry is primarily made up of part-time employment, equivalent to about 7 361 FTE. The bills that we are debating tonight offer a lifeline to the declining racing industry and to Racing and Wagering Western Australia, which has seen its net revenue fall sharply in recent years. The subsidisation of the industry will be achieved through the establishment of the racing infrastructure fund, which 35 per cent of the TAB sale proceeds will go into, as well as a product fee, based on the operator's gross operating margin on top of the 30 per cent point-of-consumption wagering tax.

The privatisation of the TAB is to be lauded. The TAB is ideally suited for privatisation, because a wagering service cannot really be considered a public good. Since it will ideally compete better as part of a private company rather than as an arm of government where the risk is assumed by the taxpayer and the government, the case to sell the TAB is fairly open and shut, it would seem. However, we are now going down the route of full privatisation or full deregulation, and that is to be kept in mind.

Although I support this bill, it is not perfect. It is not full deregulation yet as it is merely moving to a regulated monopoly, but it is a step in the right direction. It is a first step towards deregulation—from state-owned to regulated monopoly. One would expect it to go from a regulated oligopoly to a regulated market to full deregulation. Understandably, these things do not happen overnight. A regulated monopoly is certainly better than the status quo of state-owned. However, I have some issues with the length of this regulated monopoly. The bill at its core offers a 40-year monopoly licence for a private operator, provided they comply with a wagering licence and continue to subsidise Racing Western Australia, as it will be. That strikes me as a fairly long licence period that will prevent competition in that space for quite some time. I understand it is necessary to package this together in a way that will be attractive to potential buyers, but with the trend towards online gambling and the potential for innovation in this space, locking it down with one sole operator does not seem particularly prudent. I would much rather see perhaps a 20-year monopoly, or something a little bit shorter, with the potential for renewing later, rather than the current 40 years with the potential for an additional two years at the end.

However, I am of the mind that we cannot let the perfect be the enemy of the good. Selling off the TAB and completely deregulating this space would be my ideal outcome, but we have to be mindful of political realities in this space, vested interests, and a lack of appetite in the public for a deregulated gambling industry.

I have some issues with one of the intents of these bills, which is something that has been spoken about by previous speakers—this policy of continual subsidisation of the racing industry. It seems to be based on the assumption that wagering on racing is somehow owned by the racing industry. I am not sure that should necessarily be the case. The Australian Football League would surely not claim ownership of revenues from betting on AFL outcomes. It may come to some kind of agreement with betting agencies on access to broadcasts, but the assumption that by default the racing industry owns any betting or any wagering around racing outcomes is a strange one. I understand it has been that way for a long time; the TAB was established in the 1960s, I think someone said. But it is strange to assume that any wagering around racing is automatically owned by the racing industry, and therefore all proceeds should go back into that industry. Again, getting back to reality, this is how it has been done for a long time, so pulling the plug immediately and changing overnight might be cruel, but there will be a continued subsidisation from the licence operator to Racing WA.

Another issue I have with these bills is the exclusive access to simulated racing. It might be worth asking some questions in Committee of the Whole House about this. I will talk about the risks of simulated racing and virtual racing a little later. As it currently stands, Crown Casino has the exclusive right to virtual racing products, which I think is a mistake to begin with. We talk about racing monopolies and wagering monopolies here; Crown Casino has the gambling monopoly over the entire Perth area, which is absurd, in my view. One would think that gambling would be a profitable enough business on its own, without government having to establish a monopoly for it with its own act and everything. If that exclusive access to virtual racing is extended out to a second operator, heck, at least there is some competition! Now we will have two operators in that space rather than one. But we still have this problem of this tightly restricted access to offering a virtual racing product, and I am not sure that is really necessary. It causes problems. Obviously, now the new operator will have to negotiate with Crown. I understand the state has already negotiated with Crown to come to an agreement of, I think, \$1.2 million for Crown to share its exclusive access to virtual racing products with whoever the TAB licence purchaser happens to be. I think this highlights the problem of creating these exclusive agreements and monopolies; that in the future, when technologies change and there is innovation, we may end up in a very difficult situation where exclusive access has been granted to a type of technology, when perhaps at the time it was not foreseen that the technology might

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be used in the future by retail TABs and by a private owner of a TAB. I have an issue there, but perhaps that has more to do with the issuing of that exclusive access to virtual racing in the first place.

Talking about that on its own, I have received a lot of correspondence from folks who are concerned that virtual racing is pokies by stealth. I certainly do not think that is the case. My understanding of virtual racing products is that they are presented as a regular race and shown on a computer screen. As a previous speaker described, it is a cartoon race. A random number generator determines the outcome. It does not sound particularly appealing to me, but pokies it is not. There is not that immediate feedback and immediate reward from putting coins into a machine. Races are played out at certain times and certain intervals. A player does not sit at a terminal pressing a button. The player observes it on the screen, just like a real race. The interaction between the consumer and the product is exactly the same as it would be between a consumer and a real race. There is no difference in the behaviour of the consumer, except perhaps for the frequency of the races. These races can be done all throughout the day; they are not delayed or disrupted by bad weather or other circumstances. They are very different from pokies. Even if they were pokies, I am not sure that is necessarily a bad thing, personally.

People can gamble on just about anything these days. Of course, the federal government has tried to ban online poker. I can guarantee that people still play it. A popular game in Australia is two-up. People will bet on the outcome of a coin flip. There are folks out there who want to place bets and who will continue to place bets, and whether they do that sitting at a terminal in a pub or a casino or on their mobile phone will make very little difference, it seems to me. In fact, to my mind, the advent of mobile phone gambling products makes gambling more accessible than the pokies in pubs and hotels in other states. It does not even need to be expressly gambling. I think the dopamine release of playing a pay-to-win mobile game would be comparable to sitting at a machine playing pokies and feeding coins into a slot. Members may be familiar with games such as Candy Crush, but there are other games where small transactions can be made with a credit card while playing a mobile phone game to skip certain timers and lockouts. We try to regulate away the scourge of gambling, but it seems technology and market always finds a way.

In any case, virtual racing products are not pokies, and we should not try to pretend that they are. If folks have a problem with virtual racing on its own, on that basis, they should argue against virtual racing. I would think that those of a more sensitive disposition would actually like virtual racing. There is at least no animal exploitation involved. Ultimately, if somebody wants to waste their money staring at a terminal placing bets, or they want to waste their money going to the movies, or paying for a Netflix subscription, or buying mobile games, really, ultimately, it is up to them. Most people gamble without it being problematic. There is a very small minority of people who develop an addiction and a problem habit, but generally we do not legislate for the small minority of people who develop problematic behaviour. We recognise that most people are adults and can make their own decisions. We do that around alcohol; certainly, there are plenty of regulations there, but the assumption is that most people are adults and can exercise their own judgement. We do it for tobacco and for violent content in films and videogames, and we ought to be doing it for gambling, too. In any case, I am not aware of any evidence that suggests that virtual racing products are more problematic than regular gambling products. As I said, with the advent of online betting, folks that need their gambling fix can get it through their mobile phone easier than by going into a retail TAB outlet or PubTAB. I find it a little disappointing that some folks see virtual racing products as a necessary evil to getting this bill passed and getting a potential buyer interested in the TAB. Again, I have not really heard any compelling arguments against it, aside from perhaps certain moral panic. It is the same sort of moral panic we saw with comic books, *Dungeons & Dragons* and other videogames, and heavy metal music. It seems like the same types are clutching their pearls, concerned that some new technological innovation will be the downfall of society.

Let us be reminded that the exclusive licence around virtual racing products and the monopoly on retail wagering that will be offered through this legislation will stifle innovation. Technological innovation in this space is happening all the time, and by offering a licence to an exclusive operator, we are crowding out the potential for innovators, entrepreneurs and small businesses to come into this space and disrupt the status quo with new products that consumers will be interested in.

Hon Colin Holt: There's already been disruption from outside this state.

Hon AARON STONEHOUSE: Absolutely. My issue is that generally they are only able to offer that online as opposed to in a retail setting. We could have competition in this retail sector, with multiple operators all paying the same point-of-consumption tax back to the industry, but offering this exclusive licence for 40 years eliminates the opportunity of that happening, which is what I am lamenting.

Hon Colin Holt interjected.

Hon AARON STONEHOUSE: The exclusive licence—perhaps. I guess it depends on whether the government is looking for a higher sale price initially or more ongoing revenue through the point-of-consumption tax. More

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innovative products may attract more traffic into retail outlets when currently retail is having a hard time keeping up with the offerings of online providers. Online providers are now obliged to pay a point-of-consumption tax, although plenty do not. Folks who currently play online poker are technically doing it illegally by bypassing geo-blockers. They are not paying a point-of-consumption tax. Lots of online gambling products would currently not be paying a point-of-consumption tax. Whoever purchases the TAB licence will presumably have a certain scale—perhaps it will be a national operator that has some experience in the retail space—and the ability to innovate. Nothing drives innovation quite like competition. Those guys will obviously have to compete with the online space, so they will have a competitor there. I think more competitors in the retail space will really light a fire under their butts and get them thinking about how they can get folks into their outlets, rather than focusing on perhaps one niche—the old guys in the pub who are not really into technology and gadgets.

I do not have too much to say on this bill at this point, but I will be paying close attention during Committee of the Whole. If I could make a final point on the second reading debate, it would be that there is an attitude in this state that gambling is bad and wrong, it is a scourge and no-one should gamble, unless, of course, it is with a state-run gambling monopoly. If it is gambling with the TAB, it is great; it supports the racing industry. If it is Lotterywest, it is great and people should gamble all they like. But if it is a gambling outlet that does not have the approval of government, such as a synthetic lottery like Lottoland, all of a sudden the spectre of gambling addiction is brought up again. If it is a retail TAB outlet or a PubTAB, it is great and there is no problem. There is no problem with people gambling at a PubTAB; it is fine because it supports industry. But if it is a poker machine, it is bad. We are very selective about when gambling is bad and when it is good. It seems that there is a correlation between gambling being good when the state or certain romanticised industries are recipients of the revenue. There is a romanticisation about the racing industry. It is the sport of kings and everybody likes the racing industry. It is for country constituents and should be protected and preserved. There is great tradition in which everyone likes to wear their funny hats to the races, get sloshed and pass out on the grass. Gambling on racing is fine; it is a good thing and should be protected, so much so that we have a bill to privatise the TAB and we will make sure that a certain amount of that revenue will go back into the industry. But if we are talking about online poker, the potential for pokies, synthetic lotteries or virtual racing, suddenly gambling is evil and they are bad forms of gambling products that we need to be protected from. It is a very inconsistent approach. In opposition, the now Premier was opposed to the idea of privatising the TAB and anything that resembles a poker machine. Now he is in government, he is for it, of course. It is a very inconsistent approach to gambling.

I would like to see a little more honesty in this space. I do not gamble myself and I do not have any problem with it. Poker machines—sure, bring them in. Online poker—go for it. If that is what people really want and they think it is fun, how they spend or waste their money is really up to them. If there are problem gamblers out there, our efforts should focus on the people with the problems, rather than having broadbrush, one-size-fits-all policies to protect consenting adults from having a little fun. The fact that we have one casino in this entire state is a tragedy. We have one casino with an exclusion zone of, I think, 150 kilometres in the Crown Casino act. There is no potential for any other casinos to open. If a person runs a poker game in their home, they are probably not breaking the law, but I am sure it would certainly be frowned upon by some of the wowsers in government. Let us be honest about gambling: it is a hell of a lot of fun and everybody enjoys it from time to time. There are problem gamblers out there, but let us focus our efforts on the folks who actually have a problem, rather than using a one-size-fits-all approach and treating everybody like children.

As I said, I will not speak on this bill too much, but I will pay close attention during Committee of the Whole. With that, I will be supporting the bill and closely scrutinising the bill during the Committee of the Whole stage.

HON COLIN TINCKNELL (South West) [7.57 pm]: I also rise to speak in the cognate debate on the TAB (Disposal) Bill 2019 and the Betting Control Amendment (Taxing) Bill 2019. These are not good bills because of the way they have been proposed to this Parliament. They are not good bills because the opposition will back them even though opposition members know they are not good. This is very disappointing.

It is important to remember that we have not seen any honesty in the way these bills have been put through this house of Parliament. It is a take it or leave it scenario. It is a bit like the taxi legislation that came to this house. We have seen how badly that legislation has impacted on the industry. I think it is poor for the government to say, “Take it or leave it. We are not looking at any amendments and we won’t accept any changes.” That is not the way Parliament is supposed to work. If a bill comes to this house that needs amendments, we should look at it seriously and consider those amendments. That is what the Western Australian public expects of all parliamentarians in this place.

Let us look at this legislation. The 35 per cent share to industry is non-negotiable. Why is that non-negotiable? It is non-negotiable because the government wants some money to pay for something else. That is it! It is a cash grab! That is not the way to put a bill to this house. This is a TAB racing industry bill. The government should be

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looking for what is best for the industry. The left is not very supportive of any form of gambling or the racing industry. That is quite obvious from the way it has put this bill forward.

Gambling losses in Western Australia are \$683 per capita; for the rest of Australia, it is \$1 251 per capita. I believe that \$1 251 is close to the highest in the world. The United States does not have betting apps. It is great for young people to be able to access betting on their phones, but it has come to this world unregulated and from organisations that pay very little tax to the government of Western Australia. The commonwealth government should make a greater effort to stop the normalisation and growth of gambling, because it is not a good thing for Australian society. Gambling can still exist as an option. I am not talking about a nanny state; I am talking about regulating gambling and making sure that a higher level of problem gambling is not normalised. We do not want it to be banned, but, like alcohol and cigarettes, it needs to be regulated better than it is now and is being proposed. The total gambling losses in Australia this year were \$23.7 billion. We always hear about the wins, but, at the end of the year, \$23.7 billion has been lost to the gambling industry. In Western Australia, the total loss is \$1.3 billion. I am happy that the Western Australian level of gambling is half that of the rest of Australia. If the government was not sweetening this sale for an eastern states organisation, there would be more acceptance of this bill.

I have listened to other members make really good contributions. Hon Colin Holt has worked very hard on this for a long time. I can see his passion for getting this sale through because he believes that it is the best thing for the industry. I listened very intently to Hon Dr Steve Thomas, who also had a lot of great things to say. However, our situation on the crossbench is different. We get to vote on every piece of legislation that comes before this chamber without any blind ideology or having to appease groups of supporters. We look at each piece of legislation for things that could be improved and for problems, and try to move amendments to improve those bills. All members have talked about things that they would like to see added to this legislation to make it better and more acceptable to the industry. The sum of 35 per cent is not enough. It may have been enough when the TAB was worth \$1 billion, but it is not worth that any more. We are talking about the TAB and the racing industry. If the government wants to spend money on something else, that is up to it, but a lot more than 35 per cent should go back to the industry.

Hon Colin Holt talked about the country racing scene and what those clubs need to get their tracks up to date. That is not about the future; that is just now. Those needs will be ongoing, so the 35 per cent will not be able to cover them. The money will run out very quickly and the country tracks and the people who come to them will be affected. I have heard that the racing industry was built around the gambling industry—that it was a wagering event. I understand that, but because of the increase in gambling and the normalisation of gambling through telephone apps, it is not that any more. That has had a major effect on country tracks and even metropolitan tracks. Numbers at those meets are very reduced. That is why I am supportive of trying to sell the TAB at this stage, but not under the conditions that the government is forcing upon this chamber. I can do the numbers. I have been around long enough to see that this bill will go through. However, too many things are wrong with it.

I agree with Hon Aaron Stonehouse about the simulated gaming machines. They are not pokies and there is no likeness to pokies in any way. I had an opinion, but I decided to have a good look and see what the machines were all about. These simulated gaming machines are aimed at the older generation. We have 908 TABs and a casino, and the machines will be in those sorts of establishments. A lot of members of the younger generation do not visit those establishments. When they see the graphics on these simulated gaming machines, they will think that it is Space Invaders from 1970. They are pretty much out of date. But the older generation will gamble on these things because there will be 200 more opportunities per day to gamble. We cannot think that will not have an effect on the public of Western Australia. Of course it will. We have already looked at the losses; it was \$23.7 billion last year. That is \$1 251 lost per capita in Australia. My information is that that is the highest in the world. We have always been a nation of gamblers, as a member mentioned in their speech. That is okay. I am not saying that gambling is bad. I am saying that we should not extend it any more or normalise it. We should make sure that it is well regulated, so that it does not get out of control, as I believe is starting to happen.

The eastern states organisation that is interested in possibly buying the TAB and the sweetener that the government wants to give it will move us towards what they are used to over there. They are used to having gambling everywhere—pokies at sporting clubs and Returned and Services League of Australia clubs. Western Australia has stood strongly for many years and said no to that. We have a lot less problem gambling in this state because of that stance, which is something that all of us here and in the other place should be proud of. Even though I do not believe these things are like pokies—they are different—this is a weakening of that stance. I agree with the other speakers on that aspect.

I would like to vote for this bill, but as I said before, I have done the numbers and there is no doubt that it will go through. That is what I think is very bad for this house and hard to accept. The opposition does not like the bill and is angry that it cannot put amendments through because the government's stance is "take it or leave it"—a bit of blackmail politics. That is not a good thing for this house.

Withdrawal of Remark

Hon Colin Holt; Hon Charles Smith; Hon Rick Mazza; Hon Aaron Stonehouse; Hon Colin Tincknell; Hon Stephen Dawson; Acting President; Hon Alison Xamon; Hon Nick Goiran

Hon STEPHEN DAWSON: The member is talking about blackmail taking place in this chamber. I ask him to withdraw that accusation. It is outrageous.

Hon Nick Goiran interjected.

Hon STEPHEN DAWSON: Blackmailing is outrageous. He cannot say that.

The ACTING PRESIDENT (Hon Robin Chapple): I ask the member to withdraw that statement. I do not think it is correct for this place.

Hon COLIN TINCKNELL: I am happy to withdraw the statement and use another word. It is politics of —

Hon Nick Goiran: Extortion!

Hon COLIN TINCKNELL: I had better not use that word; otherwise, I may be asked to withdraw.

Debate Resumed

Hon COLIN TINCKNELL: This is bad politics because it does not allow for debate. We debate the issues and amendments here. As the ex-minister for sport, Hon Colin Holt, has said, there are a lot of things he would like the government to consider to make this a better bill and lead to a better sale. At this stage, we cannot support this bill as it stands.

HON ALISON XAMON (North Metropolitan) [8.09 pm]: I rise as the lead speaker on behalf of the Greens to speak on the TAB (Disposal) Bill 2019 and the Betting Control Amendment (Taxing) Bill 2019. These have been really interesting bills for me to get my head around from the beginning, because there has been a whole range of competing thoughts around how this issue should be treated. To start with, the Greens went to the last election with a very clear position of not wanting to sell off any public assets, but as has already been articulated by other speakers in this place, a really important question to be asked is whether it is even the place of government to be engaged in gambling. I suggest “probably not” would be my response. It has also been put to me, through the course of my research into this, that gambling is an area that needs to be highly regulated. The suggestion was put to me that the best way that we can ensure that an industry is regulated is by ensuring that it stays in government hands. I am not sure that I agree with that assessment either; in fact, I think that if a government is the recipient of revenue from the very entity that it intends to regulate, it can sometimes create an inherent conflict of interest. That has not been a particularly persuasive argument for me either. It has been through looking at the implications of the various threads of these bills that I am now coming to this place with some particular concerns.

Although I have heard previous speakers clearly and passionately support the racing industry and talk about what would be the best outcome for the racing industry, it is only fair and honest for me to be really clear from the outset and say that that is not the starting point for the Greens—that is just the truth—and that I therefore come here with a range of other concerns that I wish to put on the table. That is the nature of this place. It is made up of seven different parties and one independent, and that means that we represent a variety of views within this place.

We know the reasons that the TAB became owned by government in the first place, and previous speakers have talked about the history of how that came about. To be honest, the government was trying to address some quite serious problems within the gambling sector at the time, particularly with some of the bookies. We know a little about where we came from and why the TAB ended up in public hands, but I think we can all agree that we have moved on from that point. The question of whether we need to privatise the TAB and on what terms has been around since at least 2010; therefore, I note that the bill follows long consideration of this issue by both the previous and present governments. One of the challenges has been that the TAB is not a separate saleable entity, and decisions were needed about exactly how operations were to be separated and sold. For example, racing infrastructure, contracts regarding wagering operations, the licence to operate a betting agency, and access to various racing products needed to be worked out. Another challenge has been that, because much of the income to date from the TAB’s wagering operations from its racing products are returned to the racing industry via Racing and Wagering Western Australia and is used especially for the prize money that drives that industry, decisions were needed about how to maintain secure funding for the industry and racing infrastructure into the future in the event that the TAB was finally sold off. I note that the second reading speech states that about 25 000 people participate in the racing industry and more than 7 000 full-time equivalents are involved.

I want to refer a little to the 2014 Gunston report, which was referred to by some previous speakers. The full title of that report is “Report to Western Australian Racing Representative Group on the Potential Privatisation of the Western Australian TAB”. That 2014 report was commissioned by the Western Australian Racing Representative Group. The role of that group was to represent the racing industry’s interests as the then Barnett government was considering privatising the TAB. I note that the aim of that group was to ensure that if the TAB was sold, the racing industry was not going to be any worse off in either its future funding or in terms of any future risks that it might face. I will speak to some of the points that the report made. The Gunston report said that privatisation of

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the WA TAB was likely to have to occur within the next few years. It identified that the TAB's low-growth outlook, combined with relatively high fixed costs, meant that scale was the only way to sustain the TAB business, therefore ensuring reliable funding to the racing industry. Interstate TABs had been consolidated into Tabcorp and Tatts in order to achieve that scale. The reasons for the low-growth outlook included competition from the international and interstate corporate operators—we have spoken about some of them already—Tatts, Tabcorp, Sportsbet, CrownBet, and Ladbrokes, as well as the significant growth in online and sports betting rather than the TAB offerings, and also a limited ability to invest in marketing and technology. That report also noted that the funds were being generated only for racing operations, which meant that there was little to no capacity to pay for racing infrastructure or ongoing maintenance. To address that shortfall, funds had been provided from the racecourse infrastructure grants program as well as royalties for regions. Other sources of funding included the regional development commissions, various local governments, the federal government, racing clubs themselves and sponsorship. But the report noted that this was becoming increasingly difficult, and it was clear that a mechanism for funding ongoing infrastructure needs was necessary as well as finding a better use for existing assets.

The Gunston report considered what privatisation of the TAB might look like and what matters needed to be resolved. It was pointed out that the new operator would need to have a new wagering licence with a term that would be long enough to recoup their investment, but perhaps with interim reviews of the licence and the funding model. That is the time frame that we have been talking about in this place. As it is now, exclusive rights would need to be given for retail, tote and fixed-odds wagering, and the report noted that the TAB's value would be enhanced, compared with that of other jurisdictions—this is important—because in Western Australia there is no competition from keno or electric gaming machines outside the casino. The report found that some jurisdictions had expanded their TAB's retail products to include simulated racing or keno, but that, to date, RWWA had not succeeded in getting WA government approval for this. It said this was something it had been pursuing for some time. The report noted that this option should be reconsidered as it would enhance racing industry funding and get the government an increased TAB sale price and gambling tax proceeds.

The report also referred to a potential additional income stream. That would be “racinos” and would include electronic gaming machines licensed at certain racecourses. The report contemplated a range of electronic gambling options as part of a potential sale of the TAB.

The report also referred to what the legislative framework might look like. It went through options for various models. It referred to the racing program that is still to be determined by Racing and Wagering Western Australia. It is proposed to be renamed Racing Western Australia. It also referred to the wagering tax, race field fees and a range of other financial matters such as GST reimbursement. It also referred to pooling arrangements with TAB retail outlets. The report noted that any new wagering operator would want flexibility in regard to location. Existing outlets will also want certainty about their arrangements. Other jurisdictions had resolved this by locking in existing arrangements for three to five years. The report referred to oncourse wagering arrangements, RWWA staff associated with wagering operations, and issues of asset infrastructure. This comprehensive report went through a number of things. I suppose the significant point for this debate is that it also flagged a lot of the contentious areas we are now discussing this evening.

I will talk a little about the consultation that occurred back in 2018. As I have already said, the Barnett government supported in principle the sale of the TAB, but the sale did not occur during that term of government. At that time, the then opposition indicated that it opposed the sale of the TAB. I understand that the Labor Party is now saying that is because the racing industry opposed it, mainly because the former government was unclear about how the racing industry would be impacted by the sale. I am not making an assessment about that; I am saying that is what the argument has been.

Following the Labor Party's election to government in 2017, it was open to sell the TAB as long as the racing industry was in support of that. The McGowan government picked up the issue of consultation and carried that out with the racing industry during 2018. Stage 1 of the consultation process was discussions with the RWWA board and its subcommittees for each of the three racing codes—thoroughbred, harness and greyhound. Stage 2 of the consultation process was a public discussion paper and the submissions in response. One hundred and seven submissions were received at the time. The stakeholder groups that made submissions were the RWWA board, the Thoroughbred Racing Committee, the Harness Racing Committee, the Greyhound Racing Committee, the WA Racing Representative Group, Perth Racing, the WA Greyhound Racing Association, Gloucester Park Harness Racing, Pinjarra Harness Racing Club, the WA Standardbred Breeders Association, the WA TAB Agents' Association, Tabcorp, Sportsbet, the Australian Hotels Association, the Chamber of Commerce and Industry of Western Australia, the Community and Public Sector Union—Civil Service Association of WA and UnionsWA. There were also a number of individual submissions, but they were primarily TAB agents. Eight consultation forums were held in July 2018. There was one for TAB agents, one each for the three racing codes, and four open forums. The open forums were held at Bunbury Trotting Club, Albany Racing Club, Geraldton Turf Club and Kalgoorlie—Boulder Racing Club. Following consultation, the government decided to go ahead with the sale of the TAB.

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The reason I specifically wanted to raise consultation is that in questions I submitted to the government trying to get more background about this bill, one question I particularly wanted an answer to was which organisations were consulted. We have heard quite extensively from groups that are particularly concerned about the Trackside elements of the bill. The simple answer was that there was no specific or targeted consultation with those particular groups. I asked what feedback did the Western Australian Council of Social Service provide to the government. The response I received was that WACOSS did not provide a submission during the public consultation phase conducted by the Department of Treasury; however, the Treasurer's office has discussed the matter with the WACOSS CEO. I can guess the response from the WACOSS CEO. I suspect it has been entirely unfavourable because we have now heard that some quite serious concerns have been raised by WACOSS, as well as by a whole range of other entities.

I also asked whether the government had met with the Financial Counsellors' Association of Western Australia; and, if yes, what was its feedback. The answer was no; however, all interested parties were encouraged to submit their views on the sale of the TAB during the consultation phase, including the introduction of simulated races. No submission was received from the FCA. I asked whether the government had met with Anglicare WA; and, if so, what was its feedback. The answer was again no; however, all interested parties were encouraged to submit their views on the sale of the TAB. After speaking to these organisations, I am aware that one of the reasons they did not put in submissions is they felt completely blindsided by this. They were not aware that this was proposed, so it was not on their radar that this was an issue they needed to be aware of.

I really want to make a point about consultation. There was clearly extensive consultation, which I acknowledge is the right thing to do, with a range of stakeholder groups that actually work in racing itself. Submissions were also received from union groups that represent workers. There was clearly consultation with people in racing, but there was no targeted consultation with any of those organisations that are left to pick up the pieces around problem gambling. The bill before us today contemplates a range of amendments that the Greens, at the very least, have an enormous concern with. I have also heard concerns raised by other members in this place. That was never subject to the sort of consultation that should have occurred. I think there was a deficit in that process.

I will talk a little now about the value of the TAB. The debate on the bill in the other place indicated that the sale of the TAB, pursuant to the bill's provisions, is expected to raise about \$300 million. Who knows? I note that figure is considerably less than the \$1 billion or more that was estimated to be raised had it been sold in 2016, but I also heard figures of \$150 million being bandied about. Today, I note that there was a suggestion that it might be \$500 million. It is fair to say that we really do not know how much we are looking at for an overall sale. What was picked up in the Treasurer's second reading speech in the other place was that the TAB's situation is certainly worsening and selling it now is really the only option rather than maintaining the status quo—that is, if we want to maximise the amount it can be sold for. There is no question that the government simply holding on to it at the moment means that the asset will continue to diminish in value. I understand that is why there is a big desire to get moving on that.

The bill in front of us does a number of things. Obviously, it creates the mechanism for the sale. The mechanism to be used is similar to what was used in the Perth Market (Disposal) Act 2015 and the Pilbara Port Assets (Disposal) Act 2016, with modifications as necessary. I note that state tax will not be payable on the sale of the TAB. As has been well canvassed, the net proceeds of the sale will be split. Thirty-five per cent, which possibly will be around \$100 million—but who knows?—is intended to go to the racing industry in the form of a special purpose fund, the racing infrastructure fund. That will be administered by RWWA, with an investment strategy and funding allocations to be approved by the minister. It is made clear in the legislation that Racing and Wagering Western Australia will be able to use the capital and the interest, or both, for providing and improving Western Australian racing infrastructure. It also provides that RWWA will have to consider investment strategies and planned allocations when preparing its strategic development plan, and it is going to have to include planned allocations in its statement of corporate intent.

During debate in the other place—I understand that this is likely to be reconsidered here—it was proposed that the racing industry get 100 per cent of the net proceeds. That may still be subject to debate here. I indicate from the outset that the Greens will not support an increase in the percentage that is made available to the racing industry. I listened carefully to the considered contributions by previous speakers. One of the arguments in support of increasing the percentage made available to the racing industry is that the racing industry is responsible for building the current asset. With respect, that asset has been propped up by government moneys for quite some time; royalties for regions funding, for example, is government money, so I do not actually agree that that asset belongs entirely to the racing industry. I do agree with the proposition that if we are to sell this asset, the broader Australian community should, at the very least, also benefit from it.

It has been proposed that 65 per cent—which is expected to be around \$200 million, but again, who knows—will go to government, and the government has announced that that money would go towards a down payment on building the new maternity hospital that will replace King Edward Memorial Hospital for Women. It has been

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pointed out that the hospital will have to be built anyway, and it does need to be built, but we are talking about a piece of ageing infrastructure that desperately needs replacing. One thing we do know is that we need to have a good hospital for where babies are born and that King Edward has been hopelessly outdated for a very long time.

I turn to the nature of the licence. Whoever the purchaser is, the new wagering operator will have to apply for a licence. They will have an exclusive licence for tote and fixed-odds betting, as the TAB currently has, but they will also be able to bet on simulated races, which are also included in that licence. Currently in Western Australia, only Crown Casino offers betting on simulated races. If this bill is passed in its current form, both the casino and the wagering licensee, via the TABs, will be able to offer betting on simulated races. We know that there are differences of opinion about what that actually means in relation to simulated races. The argument that has been made about why simulated races will be absolutely fine is that people will have to be physically present at a TAB to use the terminals, and it is argued that that at least is better than being on a phone or online. It has also been said that it is intended that under the licence—who knows whether it will be changed, and the licence is not in the bill, so that is not something we will determine here—hours for betting on simulated races will not exceed the retail TAB outlets' standard trading hours. For TABs at licensed premises, the permitted hours are whatever those premises' hours may be under the liquor laws. For other TABs, it is 14 hours out of 24. But, members, even then we are talking about a huge number of hours. It may not be 24 hours a day, like the casino, but this will be happening in our suburbs and in our regional areas, so we are talking about a huge span of hours within which people will be able to access simulated races in a way that they cannot at the moment.

It has also been argued that it is intended that the game be provided predominantly only between live races and broadcasts on TV screens. But again, it is not up to this house to determine that, so we are simply being told, right now in August 2019, what is being proposed with regard to how it is intended to operate. This could change at any point; it is by no means certain that this is what will occur in practice. I will come back to the issue of simulated racing in a moment.

The bill also looks at the circumstances in which a licence will be granted. Part of that is looking at whether the applicant has met the licence condition of having in place a Gaming and Wagering Commission-approved consumer protection policy for responsible gambling, harm minimisation and consumer protection. I asked the government what the content of the approved consumer protection policy would be. This, again, is in the context of the introduction of Trackside. I was told that it would be a condition of the wagering licence that the wagering licensee complies with the principles of the “National Consumer Protection Framework for Online Wagering in Australia—National Policy Statement”, and that that framework is publicly accessible. The “National Consumer Protection Framework for Online Wagering in Australia—National Policy Statement” was part of the Council of Australian Governments response to the 2015 “Review of Illegal Offshore Wagering”, otherwise known as the O’Farrell review. The framework developed by commonwealth, state and territory governments aims to reduce the harm of online wagering by providing a range of nationally consistent protections and that is intended to apply to interactive wagering service providers, regardless of the Australian jurisdiction within which they are licensed or provide their services. It is also to afford consumers of licensed interactive wagering services effective safeguards, regardless of the Australian jurisdiction within which those services are consumed. I would like to table a copy of the “National Consumer Protection Framework for Online Wagering in Australia—National Policy Statement”, because I am about to make reference to it. I seek leave to table this document.

Leave granted. [See paper 2923.]

Hon ALISON XAMON: Bearing in mind that this document will potentially be used as part of the protections provided, one of the reasons I wanted to table it is that I was interested in looking at the exclusions at pages 21 and 22. I would like to get advice on this, because it appears to me that betting on simulated races at a TAB is excluded from this framework because it is listed in the table at page 21 as “Device at a venue (e.g. betting terminal)”. If I have this wrong, I ask the minister to please correct me. I have been assured that, at the very least, this is the framework that will apply, yet upon closer examination, I am concerned about whether it may not apply. I would like to be assured on that, please.

The bill also enables the wagering operator or the licensee to establish betting agencies as and where they wish to, subject to, if at a racecourse, prior approval from the body controlling the racecourse; and, if at a licensed premises, subject to prior approval under liquor laws. According to the Treasurer, currently less than five per cent of licensed premises and 13.7 per cent of pubs and clubs have a TAB. Existing TAB agencies are taken to be betting agencies under the act.

There will be a review in three years—in other words, after two full years of performance data is available. The report of the review is to be tabled in Parliament, so that is welcomed. I note that the review must address the impact on the racing industry, including its funding, as well as the structure and functions of Racing and Wagering Western Australia and administration of the racing infrastructure fund. That makes perfect sense, because we are

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trying to see whether that will have the effect that we hope it will. I also note the amendment that was moved in the other place by a member of the opposition and supported by the government to ensure that the review also addresses the impact of simulated racing on problem gambling. I am pleased about that, but I am concerned that it is simply trying to gather evidence of the damage after it has occurred.

In terms of what is in it for everybody, the racing industry will get the continuation of RWWA's usual role, including representation of the industry and the distribution of funds to the three codes. RWWA will retain in its account its pre-existing cash reserves, which are estimated to be about \$80 million. As I have said, it will get 35 per cent of the net sale proceeds, and any interest that is earned will go to a fund for racing infrastructure. I note that this is to ensure that racetracks will be of a sufficient quality and condition to supply racing products as agreed under the racing industry agreement and that capital or revenue, or both, from the fund can be used, and I will have a little more to say about that in a moment. There will be a racing industry agreement with the new wagering operator for funding and other services as agreed and, as noted, no licence can be granted to the wagering operator without this agreement being in place. The agreement is intended to include a funding guarantee period and, beyond the initial guarantee period, RWWA will continue to receive a percentage of the operator's gross wagering margin for the term of the licence. Of course, that means that the funding will vary depending on the TAB's performance. Mechanisms will prevent the new wagering operator from transferring customers and revenue out of WA and there will be an obligation for the licensee to act in the TAB's best interests. The agreement's term is intended to match that of the licence, which, as has been noted, can be up to 40 years, but may be more like 25 or 30 years. I understand that this is considered to be sufficient to align the interests of the new racing industry. The racing industry will also get any unclaimed dividends or winnings or refunds and a race field fee. The maximum penalty if the licensee uses the WA race field without RWWA's approval is a \$5 000 fine. I note that there may be approval conditions, including as to fee, and that RWWA's decision is reviewable by the State Administrative Tribunal. I asked the government what matters SAT will take into account if it is asked to review RWWA's decision and I was told that it will be up to SAT to determine. That is all I was told. I find it surprising that this will be left entirely to SAT's discretion without any guidance whatsoever. I ask the minister to clarify that answer further, please. Race field fees will be collected by RWWA and distributed to the three racing codes. There will also be continued receipt and distribution to the three codes by RWWA of 30 per cent of the revenue that is raised by the point-of-consumption tax.

During the debate in the other place, the Treasurer tabled a letter from RWWA's CEO that states that RWWA and the racing committees support the legislation as drafted and that the funding elements are consistent with the principles agreed between the government, RWWA and the racing committees before drafting, but this is not a unanimous view, because I note the report that five of six members of the thoroughbred racing committee have quit, saying that RWWA was not engaging genuinely with them. I know that all is not entirely harmonious.

Let us talk a little about what country racing will get. I note that concerns have been raised in the other place and in this place that the voice of country racing will not be heard on expenditure on infrastructure, particularly at racecourses, and therefore the bill needs to provide for country representatives on the RWWA board. This bill does not make any changes to the make-up of the RWWA board or functions regarding country racing. If there are any concerns about that, I suspect they will just continue. RWWA's ongoing ability to fix race dates throughout WA is also a protection to ensure that country racing can continue.

The TAB agents—there are about 320 retail TAB outlets—will get protection. That is one of the things they said that they wanted. They supported the sale, but wanted some protection. I note that TAB agencies will continue to be the sole provider of retail betting. As noted, TAB agents will get the ability to offer simulated racing via the licence to the wagering operator, and the value of this is not going to be known because the figures that are available are from interstate, where simulated racing competes with other gambling products such as keno and the pokies. Simulated racing contributes about three to four per cent of wagering turnover there. The government has said that it does not expect simulated races to be a significant contributor to the overall revenue base.

In terms of RWWA staff, the submission by the Community and Public Sector Union—Civil Service Association of WA on the discussion paper says that there are up to 500 RWWA staff jobs, some of which relate to TAB functions, and they were seeking an employment transfer plan to ensure that those jobs remained secure. It is likely that some people will be made redundant, although I note that they signed a new staff agreement in April this year, so I imagine that a number of them will get payouts.

It is interesting to see what our poor struggling casino will get out of this! It gets the assurance that simulated racing will not be offered by TABs for shorter times or more frequently than is offered at the casino, where simulated racing will continue to be available. I note also that the casino will not get a reduced licence fee. Good! It has plenty of money and can afford it. I am not particularly worried about that. However, I note that if the incoming wagering operator elects to offer simulated races, it will have to pay Crown Perth \$1.2 million. I want to make an additional point here. We asked the government for a complete, current, consolidated copy of the casino

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state agreement, because the bill includes the fifteenth supplementary agreement to it. As expected, we did not get that consolidated version. We got a link to the Western Australian Legislation website instead. As we discovered previously when seeking the Alcoa state agreements, that website provides a consolidated version of the act but not of the schedules to it, which contain the state agreement. They are simply tacked onto the end of the act in the order that they were made. This is an ongoing concern. People might wonder why the Greens have consistently had concerns about the nature of state agreements. Members, I am not alone on this. Transparency International is also concerned about this, and this is one of the reasons why. It is very difficult to get a comprehensive history of state agreements. I remind members that these should be readily available within Parliament, but they are not. Unfortunately, by not making this available, it is virtually impossible to track the changes that have been made. I once again flag that I would like to get a complete, current, consolidated copy of the casino state agreement. It is not commercial-in-confidence, so there is no reason it should not be able to be supplied. I make that very clear.

Let us talk about what the government and taxpayers will get. As we have said, the state will get 65 per cent of the net sale proceeds, which will be used as a down payment for the upgraded maternity hospital. We will get a wagering licence fee and continued receipt of the share of revenue from the point-of-consumption tax. I was provided by the government with a figure of \$371 million from the tax's introduction to the end of the 2022–23 financial year, but I suspect that this is a total figure, not the share that the government and taxpayers will get. I ask the minister to please clarify the amount of the government and taxpayers' share. I understand it is an increase on the figure provided to Parliament when the tax was first introduced due to better quality wagering industry data being provided or being used in the subsequent forecasts, but I would like to get that clear amount, please.

I now get to the two key issues that the Greens have about this bill. The first is: what will the racing animals get? The answer is that the racing animals will get absolutely nothing. There are no new funds or conditions to monitor or improve animal welfare. There is not even a requirement that any spending on racetracks from the infrastructure fund needs to consider animal welfare. The Greens are very, very disappointed that of all the money, the millions that this measure is expected to bring in, not a single cent is being set aside to increase current expenditure on improving the welfare of animals used by the racing industry or on addressing problem gambling. I assure members that there are plenty of problems that need to be addressed. We know that horses can suffer in the racing industry in a variety of ways. They suffer from long-term stabling, from whipping and from overexertion, which can cause injuries such as exercise-induced pulmonary haemorrhage and exercise-induced injuries, especially to their feet. When horses are raced when they are too young or unfit due to injury, they get fractures. They are then euthanased for human or pet meat because of injury or because the industry has no further use for them. Horses frequently die on our racetracks, even in the most high profile races such as the Melbourne Cup. Equine vets are frequently concerned about the number of horses getting injured when they are racing and also when they are raced while unfit or too young. Those concerns do not seem to get heeded.

Greyhounds are suffering for the racing industry in a variety of ways. They experience kennel conditions that are physically harsh and they lack behavioural enrichment or socialisation. They suffer terrible racing injuries. According to Racing and Wagering Western Australia's most recent annual report, between 1 August 2017 and 31 July 2018—so only within a 12-month period—there were 335 incidents of dogs suffering grade 1 muscle injuries or minor skin lacerations during a race, which incapacitated them for one to 10 days. There were 214 incidents of dogs suffering sprains, skin lacerations or grade 2 muscle injuries during a race, which incapacitated them for 11 to 21 days. There were 113 incidents of dogs suffering grade 3 muscle injuries or fractures during a race, which incapacitated them for more than 21 days. There were 45 incidents of dogs suffering severe skull or spinal trauma or complex fractures during a race, which either killed them outright or required them to be immediately euthanased, yet only 1 144 greyhounds raced in that 2017–18 season. That is an extraordinary number of injuries. We also know that greyhounds suffer from doping. In February 2015, a WA trainer was suspended after pleading guilty to doping dogs with anabolic steroids. Greyhounds also suffer premature death or are euthanased. This can be because of racing-related injury. They can also be euthanased because they are, unfortunately, considered to be unsuitable for rehoming. In fact, 43 dogs were killed for that reason between 1 August 2017 and 31 July 2018, and 53 the year before, according to the last RWWA annual report. Greyhounds as Pets also euthanased five per cent of its adoptive dogs because they were either too unwell or considered unadoptable. The third reason that greyhounds get euthanased is that the industry has no further use for them and they are considered to be a waste. RWWA's last annual report says that no dogs were euthanased for this reason between 1 August 2017 and 31 July 2018, but seven were the year before. I stand here to be unequivocal about this. I mentioned from the outset that I am not necessarily the greatest fan of the racing industry; I never pretended to be. When it comes to greyhounds, I think greyhound racing should be banned. I would be quite happy to see greyhound racing not continued in Western Australia at all. One of the questions I have for the minister, which has been put to me to ask the minister, is whether by locking in the sale of the TAB there will be a requirement for greyhound racing to continue for the duration of the entire contract, which could be 40 plus two years—that is potentially proposed—or whether there could still be the option, should the attitudes towards greyhound racing shift, for it to be banned within that time

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frame without the need to compensate the purchaser of the TAB. Could I please have confirmation whether that is the case or whether, by signing this contract, we are also locking in a particular code of racing that a number of people in Western Australia—certainly me and the Greens—would like to see end in its entirety?

I also want to talk about what extra funding, should it be part of that 35 per cent, could do to improve animal welfare in the racing history. I am not suggesting that nothing is being done about these issues, because it is, and the latest RWWA report explains that, but there is no way that anyone could argue that work in this area is complete. Much remains to be done. An injection of part of either or both the extra \$27 million or \$30 million that is going to go to the three racing codes and the extra \$94 million that is going to go into consolidated revenue could give a much-needed boost for strategies to improve animal welfare in the racing industry. We know there is a great need for full life-cycle tracking of racing animals and for better data collection around breeding, injury and mortality. We need to know exactly what is happening so we can act on it. Some work is happening in this space, but we do not yet have full life-cycle tracking for racing animals. Further, since the public purse funds racing, I think that data needs to be publicly accessible. There is also a need for increased investment in making sure that injured animals are getting proper veterinary treatment, and there is a need for investment to improve the day-to-day stabling and kennel conditions for racing animals. This needs to be ongoing and consistent, not just when they are training or competing. All of these things are needed to improve animal welfare in the various codes of the racing industry. We need to make sure that animal welfare policies and codes of practice are reviewed and being kept up to date with current scientific knowledge and community expectations, and we need to ensure that compliance monitoring is independent. Last but not least, I think there is a need for investment in independent research into improving the welfare of racing animals and implementing its recommendations. For example, there is research currently being done by the University of Technology Sydney into greyhound track design. As we have seen in WA in the past, the hardness and the softness of the track surface can affect the risk of fractures and muscle injury and also the risk of sand or grit being kicked into the faces of any dogs behind, which can cause some very bad eye injuries. Much could be done to improve the welfare of animals in the racing industry using the bit of the bonus that these bills deliver to the racing industry and state coffers.

Of course, the second big area I am going to speak on, which members have already alluded to, is what problem gamblers will get under this bill, and the answer is nothing. They will not get anything that is going to help them if they have a problem with gambling. We know that the consumer protection policy, which is approved by the Gaming and Wagering Commission, is a condition of the wagering licence, and any breach is subject to disciplinary proceedings; however, as I indicated earlier, I am concerned that it does not appear to apply to simulated racing at TAB outlets, so I do want to know. We know that funding will continue to be provided by the wagering operator to problem-gambling services, but only in the same way that it is now, so there will be nothing additional. Problem gamblers may be worse off as a result of the introduction of simulated racing. That concern has been voiced vociferously by people who work in this area—people who work with people who have problems around gambling. We should be listening to them. We do not know how much of an impact it is going to have. No-one knows how much revenue will come from this source in an environment in which the product is not competing with pokies or keno. We do not have a clear comparison, such as they have in the other states.

I know that in the other place, one opposition member took the approach that if simulated racing is good for revenue, it is probably bad for problem gambling, and that if it is insignificant for revenue, then it need not be included as a sweetener for the TAB sale. I note the response from the Treasurer was that those views are extreme, which I think is not paying attention to exactly what is being said. If simulated races are introduced to the TAB outlets, Parliament will not learn how much revenue that raises to help us assess the impact on problem gambling because the government says that that information is likely to be commercial-in-confidence. I would like to confirm whether it is indeed the case that the amount that will be raised by the purchaser of the TAB specifically from Trackside will remain commercial-in-confidence or whether we will know. The Gaming and Wagering Commission will be able to request a report on the number and location of TAB outlets that are offering simulated races and it will be able to request information about the amount of revenue from simulated races, but it will not be able to disclose that information, as I understand it. We will never know.

Page 2 of the second reading speech sets out the government's objectives in respect of the sale of the TAB. It refers to wanting to support the racing industry and optimising value for the state and the racing industry. It refers to maintaining the integrity of racing and wagering activities and the need for a fair and robust process. However, absent from this list is anything about minimising the negative social impacts of gambling. There is an inconsistency between the government's position on the Gaming and Wagering Legislation Amendment Bill 2018, in which it wisely took a harm-minimisation approach, particularly in relation to synthetic lotteries—a position supported by the Greens—and its position on this bill, under which the government is allowing TAB outlets to have synthetic racing in an attempt to increase the TAB sale price. If the new wagering operator chooses to introduce simulated races, people are going to be able to play them at any TAB outlet that offers them instead of only at the casino, which has been the bipartisan position until now. Races are going to be shown on television

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screens and bets will be placed at existing terminals. It is noted that there are controls on simulated racing and some differences between the nature of simulated racing and pokies; nonetheless, the bill undeniably makes simulated racing more broadly available, including introducing it to regional Western Australia for the first time. It is not something those areas have had before. It introduces into TAB outlets a gambling product that is based on a mathematical algorithm. The government argues that this product is going to replicate what is already available at TABs and is simply available to be used between live races, but live races do not involve a machine with a mathematical output. It introduces into TABs a gambling product that is not affected by the weather and subject to licence conditions, so it can be used to fill voids in the racing timetable or even run simultaneously with and potentially overrun it, because the limitations on how it can be used are not prescribed within this bill.

The second reading speech states that the Gaming and Wagering Commission does not oppose the introduction of simulated racing, subject to the proposed regulatory measures; however, many people oppose it very strongly. Members have received considerable correspondence from people who oppose the inclusion of simulated racing in the TAB (Disposal) Bill. In fact, it is the only aspect of the bill on which I have received correspondence, except when I met with the Free the Hounds group, which has also expressed its concerns. I have already asked the minister a question about that.

The Western Australian Council of Social Service and the Financial Counsellors' Association of Western Australia have said that they fear that the result is going to be an increase in problem gambling. Anglicare has said that it fears that the introduction of simulated racing is the thin edge of the wedge. In fact, the 2014 Gunston report, which I referred to at the beginning of my contribution, confirmed that there is going to be pressure to expand this further. We know that no new money is being put into problem-gambling services, although this is something that both WACOSS and the Financial Counsellors' Association of WA have said they want. The Treasurer has already said that he believes there is no need for more funding for problem-gambling services because there are no waiting lists at existing services. That would probably be because we do not have simulated racing or any sort of electronic gambling widely available within the community at the moment, but hey. During the debate, he also expressed a willingness to review now, within the six months before the TAB sale occurs, the effectiveness of existing problem-gambling programs to see whether anything can be done better, but he did not undertake to go ahead and do so. I subsequently asked whether that review had commenced; and, if not, whether the government would commit to undertaking that extra review. I was not able to get any such commitment from the government. I was simply told again that there is going to be a review of the impact of simulated racing on problem gambling three years after the new arrangements have commenced, as per the proposal within the bill.

The Greens absolutely oppose the simulated racing provisions in the bill. As a result—we will talk about this more when we get into committee—we will be attempting to move the Trackside provision within the amendments that we have proposed, which were circulated during the winter recess. They are quite lengthy, but I want to assure members that they aim to do only one thing, and that is to remove the simulated racing provisions from the bill. I would urge all members to seriously consider them.

There have been some who have wanted to belittle the important voices of the people who raise concerns about the introduction of Trackside through this bill, and I want to give those people a voice. It is really important that I raise the concerns that have been raised with me. Comments have been made to me that these machines are going to be particularly bad for country racing clubs, because they actually have nothing to do with the reason that people within country communities come together; they are simply going to be used for the purpose of sitting down and engaging in electronic gambling. Frontline services are particularly concerned about the prospect of a wave of gambling-related financial hardship stress and relationship breakdown. Financial counselling and emergency relief services in WA are already turning away more people than they are able to help, and no-one in the WA government has modelled or announced a plan to fund the additional services that are going to be needed to cope with demand. I am quite happy to table any of these letters, but I have a letter from WACOSS about opposing simulated racing machines. It states —

Western Australia has been rightly proud that we have prevented the proliferation of electronic gambling machines throughout our community, as has been seen in the eastern states. The current legislation before parliament, however, will allow countless monitors into the 908 TABs across Western Australia—dramatically increasing the accessibility of gambling in our state.

The WACOSS submission goes on to state that these so-called simulated racing machines have much more in common with pokies than with betting on a live race. That is true. They are a device to increase how often people are able to bet and so increase people's exposure to the harmful impacts of gambling. The submission continues —

The harms from gambling can have a devastating impact on communities who then see increasing demand for services covering financial counselling, homelessness, alcohol and other drugs, and counselling.

The submission points out—as do many of the other letters —

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WA currently has the lowest per capita expenditure on gambling in Australia at \$683 per capita, compared to the national per capita spend of \$1,251. By allowing electronic simulated racing machines into our TABs, the amount of money Western Australians lose on gambling will only increase. Any revenue that the State Government will receive by including the permission to use Trackside as part of the sale of TAB, will be greatly eclipsed by the social costs of gambling harm.

We also heard from the Financial Counselling Network, which notes that in other jurisdictions, electronic racing terminals resemble slot machines. I go back to a question Mark McGowan asked the then Minister for Racing and Gaming on 28 June 2016 —

I refer to confirmation by the Minister for Racing and Gaming that the state government is considering allowing Keno and virtual horseracing machines outside Crown Casino as part of the proposed sale of the Western Australian TAB.

- (1) Do Keno machines and electronic virtual horseracing machines require punters to put money into the machine, and can punters lose their money?

The then minister, Terry Redman, replied —

- (1) Keno and electronic virtual horseracing games operate in a similar manner, in that a player makes a bet selection and can win or lose based on the outcome.

The answer to that question is effectively, “Yes, that is what they do.” I note that at that point, correctly, the now Premier was making the correlation between simulated racing and keno. He was obviously concerned about this, yet now there just seems to be this really weird attempt to try to separate the two, as though somehow one is absolutely benign and the other still continues to be a problem. But, no, members, that is not the case. I go back to the letter from the Financial Counselling Network, which states —

Financial Counselling Australia’s report ‘Problem Gambling Financial Counselling—Survey and Case Studies’ found that overwhelmingly, the main form of problem gambling was poker machines across all genders and age groups. Of those experiencing problem gambling, almost all are unable to pay bills, half had borrowed money for their gambling and half had also experienced relationship breakdown due to problem gambling. Family violence, suicide ideation and fraud are also associated with this group.

The letter also refers to how the agency is already turning away more clients than it is seeing and to the social impact and cost associated with the introduction of electronic gaming machines as being catastrophic for those who are already doing it tough. Members, we should be listening to this. We should not just dismiss it and say, “No, it’s not going to be a problem.” I am really keen to return to a comment by the Premier reported in an article by Jessica Strutt from the ABC in 2018, in which he talked about the potential expansion of gaming machines, including electronic horseracing as part of a potential TAB sale, of which Mr McGowan was apparently highly critical. The article states —

“All that will mean, is more people will pour their money into those machines, ... particularly those on pensions, and those who can least afford it, will lose money,” Mr McGowan said at the time.

“It brings some of those social ills, in particular gambling addictions and the like that we’ve seen in New South Wales, Victoria, and Queensland now for decades to Western Australia.

“It is a very, very disturbing development and I oppose it absolutely.”

This was in June 2018, which is really not that long ago.

Hon Colin Holt: It was 2016.

Hon ALISON XAMON: I have the article, so I will double-check that for the purposes of *Hansard*.

Members, the Premier was right then and he is wrong now. Other organisations have raised concerns. The Women’s Council for Domestic and Family Violence Services has raised concerns, and so it should, because we know there is a direct correlation between increased levels of family and domestic violence in homes in which there are gambling problems. Of course it is going to be concerned about this legislation. The Public Health Association of Australia submission states —

Gambling causes harm to the physical, social and mental health of communities and individuals. Moderate to severe problem gambling has been linked to suicide, relationship breakdown, financial difficulty, mental health issues, and crime. Gambling affects vulnerable groups in our communities, including people from low socioeconomic backgrounds.

Western Australia is currently the only Australian jurisdiction that restricts simulated racing and poker machines to the casino. The restrictions are the result of decades-long bipartisan commitment. Prior to the 2017 State election, both the Labor and Liberal parties committed to keeping the current restrictions in place.

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The Public Health Association makes it very clear that it strongly opposes the installation of simulated racing machines in TABs and states —

Any expansion of electronic gambling is likely to increase gambling harm across our communities, as electronic gambling machines are generally held responsible for the majority of gambling harm.

The Public Health Advocacy Institute of Western Australia has issued a comprehensive gambling position statement in which it refers to who is deeply at risk and says, “Please do not introduce this to our state.” A submission from Anglicare WA states —

A plethora of evidence produced by both researchers in this country and overseas, attests to the damaging impact, both personal and societal, of addictive gambling, particularly involving digital gaming machines.

Members, this is the insidious nature of the type of gambling mechanisms that we are talking about. They are addictive and they are intended to be addictive. There is a reason why it is considered to be appealing to have these sorts of machines in a future sale of the TAB; that is, they make money. They make money because people are losing money. People are losing money because the machines are highly addictive. Notwithstanding some members’ comments that not everybody has a gambling problem—that is, absolutely, 100 per cent the case—we should be trying to limit those mechanisms that contribute to harming those people who do have a gambling problem. This state has a long and, I think, very proud history of ensuring that we do not have these electronic gaming machines in our suburbs. Personally, I would not care if they were gone from the casino. I do not know about other members, but I walked through the pokies section of the casino about 12 months ago, and I thought it was a dismal little place. Nevertheless, I understand that people usually have to drive a very long way to be able to go to the casino. This would be very different; machines would be just around the corner and attached to a pub where someone could have had far too many drinks and potentially gamble away not only their money but also the money of the people who may depend on them.

I also refer to the Salvation Army’s contribution. It states —

Whilst we acknowledge the perspective that these machines introduced into TAB agencies are a service already provided but just in electronic form, it is portrayed as a “game” being simulated with the underlying premise being consistent with Pokies—that of weighting heavily in favour of the operator. The outcome of this legislation does nothing to prevent the impact of problematic gambling; only enhancing its prospects. The Salvation Army supports the current policy of restricting gaming machines to one specific location and encourages a determined resistance of any Government not to relent to external pressures.

Our best advice in this area of problem gambling is to deliver public policy that impacts in the following areas:

- Recognise—Understand the impact to individuals and our broader community and in this case consider: what are the possible outcomes that are counter-productive to our community health?
- Reduce—One strategy in WA has been to attempt to contain the impact of problematic gambling by limiting gambling activity to a single venue. This provision at question is potentially counter intuitive as the increased saturation of available gambling options across the entire state heightens the risk exposure.
- Prevention—The current proposal does nothing to prevent the impact of problematic gambling.

It goes on to say —

We are naturally concerned if the representation of gaming machines is decentralised into the heart of our communities no matter what the nature of the gaming machine is; it remains an opportunity for addiction to take its hold.

We have heard concerns from Communicare, which is also at the forefront of working with people with a gambling addiction, and the Youth Affairs Council of Western Australia, which is deeply concerned about safeguarding young people in particular from gambling harm. I also acknowledge the Australian Christian Lobby, which has been consistently concerned about this. I have also heard from many individuals, as have other members. One comment was —

It’s very concerning to see the government imply that these machines are not pokies. The reality is that simulated racing machines have much more in common with pokies than betting on a live race, particularly as the odds are generic and the winner randomly generated by a computer.

Having seen a close friend help a family member through a pokies addiction, which is still ongoing, I am concerned about the increased availability of electronic gambling machines outside the casino. At the

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moment, my friend's mother has to travel to access pokies and other electronic gambling machines. Should this bill pass as proposed, she will be able to access electronic gambling machines in her own suburb. The experience has also taught me that gambling affects people other than the gambler and results in a wide range of issues, including relationship breakdown, financial difficulty and mental health problems.

This is the sort of personal impact that gambling has. I pick up on the words of another individual who has written to us. They ask —

- What provisions have been made to limit technological changes to Simulated Racing Machines ... only?

Good question! I imagine that a lot will change over the duration of this licence. It continues —

- What provisions have been made to ensure lost data for SRM (from Day 1) are transparent and accessible to the community, researchers etc?
- What provisions have been made to restrict multiple individual SRM terminals to operate in TAB outlets and pub and club venues?
- What provisions have been made to cover increased costs of gambling related harm?

We know a lot of this, members. We know that nothing has been done to help this. It continues —

While hoteliers associations and the gaming industry may suggest SRM are not electronic gaming machines, they most certainly are. They may suggest no one will play them, they are wrong. They may suggest SRM replicate real horse races, they do not.

They do not! I agree with Anglicare and I am happy to go on the record. I stand here in August 2019 to say that I think this is the thin edge of the wedge. I am really disappointed that we have gone down this path. I want to be clear that I am not concerned merely about Trackside potentially leading to other electronic gambling operations being made available, although I am very concerned about that because the Gunston report made clear that the interest all along was to expand the operation of various electronic gambling operations. I am also concerned about Trackside in its own right because there is concern that it will be addictive. People can play up to 200 games a day on these machines, even with the limitations being proposed for time between games. A huge amount of money could be lost by people with gambling problems or people who may not have gambling problems but develop gambling problems. That is incredibly disappointing.

I want to say to how disappointed I am to hear the contributions of members who seem to have a fatalistic view of the issue of problem gambling. When a member stands and says, "What is the issue? People can access it on their phones now", all I hear is that they have given up and think that there is nothing we can do, that people are going to gamble and we should let them go crazy and do anything all the time. I respect that some members might ideologically hold that view, and I respect the consistency of that at least. However, many of us are concerned about problem gambling and recognise that it is an enormous issue for individuals and families. It impacts negatively on our communities and, as a result, for good reason, we try to not only regulate but also limit people's capacity to engage in problem gambling. I make the clear statement that I think this is a pathway to pokies, but I also think that it is bad on its own terms and that we should reject electronic gambling. I am very disappointed that this has been made an integral part of the sale of the TAB. It is a deeply flawed approach and, ultimately, we will end up paying more for it as a community. For the small amount of money that will be made available from this—it has been estimated to be around three per cent or four per cent—we will be paying much higher costs as a community. It is desperately disappointing that the bipartisan approach we have held for years in opposing the introduction of this type of electronic gambling in our state has been shattered. For that reason and the concerns I have about animal welfare, the Greens will oppose this legislation.

HON NICK GOIRAN (South Metropolitan) [9.26 pm]: I rise to contribute to this cognate debate on the TAB (Disposal) Bill 2019 and the Betting Control Amendment (Taxing) Bill 2019. I indicate that I am concerned about the name of the first bill we are considering this evening. It is titled the TAB (Disposal) Bill 2019. It strikes me that there might be a case to move an amendment to the title of that bill and that the bill title might better read as the "TAB (Disposal and Breathtaking McGowan Government Hypocrisy) Bill 2019".

I bring members' attention to two parts of the second reading speech. The third sentence of the second reading speech reads —

After years of false starts and inaction from the previous government, the McGowan government is acting to secure the future of the Western Australian racing industry.

The second part I want to draw members' attention to is found later in the speech. I quote from pages 4 and 5 of the second reading speech. It states —

Its introduction is not "pokies by stealth" or other such hyperbole we may hear in the course of debate.

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I want to spend a moment considering those two statements that were made by the government as it prosecutes its case for this bill. In doing so, I would like to take a brief journey down memory lane. On 11 October last year, WAtoday put together an article titled “TAB ‘virtual horse race’ betting to be part of privatisation plans”, in which the author comments —

An expansion of electronic betting games, including horse racing simulations and Keno, into TABs as part of a privatisation was first floated in 2016 by then racing and gaming minister Colin Holt.

Mr McGowan said at the time: “WA Labor will always oppose further introduction of pokies and similar gaming machines in Western Australia because of the financial misery they cause.”

I note that only five days later, an opinion piece by Gary Adshead entitled “Past catches up with McGowan in TAB sale” was published in *The West Australian*. I will quote it at length, because there are some real gems of history in this opinion piece, put together on 16 October last year. It says —

Last week, after his Government announced the betting agency was finally on the market, Premier Mark McGowan got all surly because he felt the media, along with the Liberals and Nationals, were twisting comments he made in 2016.

Back in June that year, the then Opposition leader put out a statement questioning whether the Barnett government planned to flog the TAB and allow new gaming machines, including “pokies”, to operate in this State as a sweetener to any deal.

McGowan was reacting to what he saw as conflicting commentary between the racing minister at the time, Nationals MP Colin Holt, and premier Colin Barnett.

“Mr Holt confirmed the government was still proceeding with negotiations over Keno and electronic horse racing with the racing industry and potential purchasers of the TAB,” the Labor leader said in his statement.

The electronic horse racing McGowan referred to is called Trackside and allows punters to wager on simulated racing at TABs as well as the real thing. Trackside machines are common over east.

“Just this morning, the premier claimed his government would not introduce Keno or Trackside electronic horse racing in TABs or country pubs and clubs, yet his minister has told Parliament the government is still actively considering the option,” the 2016 McGowan statement continued.

The opinion piece goes on to outline some interaction with the Minister for Racing and Gaming, Paul Papalia, and the Treasurer, Ben Wyatt, and then some comments made by the Liberal Party. It continues by saying —

McGowan was indignant.

“What we see from the Liberal Party in Western Australia is that it makes things up,” he said. “The Leader of the Opposition is an expert at finding something I said about issue X, pretending it was about issue Y.”

But it was not just Labor’s traditional political enemies that were calling the Premier out over the electronic horse racing green light.

“In WA, simulated racing products are currently only available within Crown’s Burswood casino,” said public sector union the CPSU/CSA. “We’re concerned that its extension to other locations will have implications for the incidence of problem gambling in our State.”

The Premier and his minders insisted that back in 2016, the only concern McGowan had was over Keno or pokie machines being a component of a TAB sell-off. They were playing down the Labor leader’s references to Trackside.

“All my commentary on this was based on long experience as someone who grew up in New South Wales and saw poker machines and the evils that they promote,” McGowan told Parliament.

Without wanting to further ruffle the Premier, he did mention “Trackside”, “electronic horse racing” or “gaming machine expansion” eight times in that 2016 rebuke of the Barnett government.

There is a word to describe this type of behaviour, and it starts with a “H”—it is hypocrisy. The opinion piece goes on to say —

“It’s interesting the McGowan Government says this ends years of uncertainty for the racing industry,” McGrath told reporters last week. “I find that unbelievable. This is one of the biggest backflips in the history of our Parliament.”

McGrath was referring to Labor’s previous strident opposition to selling the TAB at a time when growing competition was putting the agency’s value and relevancy in jeopardy.

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In fact, the word strident is perhaps not strong enough with McGowan moving a motion in mid-2015 to oppose the sale, with Papalia in fierce agreement.

“The opposition is very clear in its position on this important issue for jobs, the racing industry and regional communities,” McGowan told Parliament. “If we have Tatts Group or Tabcorp running the industry in WA what will be the first thing that it will do? It will look to cut costs. They will see what services run in WA can be run over there ... “Jobs could very well be lost,” he said. “Actually, let us be frank. They will be lost if the TAB is sold.”

This is not that long ago. This is an opinion piece from October last year, within the last 12 months, a mere five days after the other article that was found in *WAtoday*. What is going on in this government? Is there some kind of dispute between Mr McGowan and Mr Wyatt? Who is really running the show?

I note that even earlier than that, in July of last year, the ABC got in on the game with its article entitled “Fears virtual horse races may pose a new gambling threat to WA amid TAB sale reform” by author Jessica Strutt. Under the heading of “McGowan ‘playing politics’ with gambling rules”, she says —

When the ABC revealed in 2016 the previous Barnett government was considering allowing a gaming machine expansion, including electronic horse racing as part of a potential TAB sale, Mr McGowan was highly critical.

“All that will mean, is more people will pour their money into those machines, ... particularly those on pensions, and those who can least afford it, will lose money,” Mr McGowan said at the time.

“It brings some of those social ills, in particular gambling addictions and the like that we’ve seen in New South Wales, Victoria, and Queensland now for decades to Western Australia.

“It is a very, very disturbing development and I oppose it absolutely.”

Later in this article put together by Jessica Strutt and the ABC, this classic line reads —

Mr McGowan’s office referred queries on the matter to Treasurer Ben Wyatt’s office.

I bet it did. Can members imagine the Premier’s office wanting to answer any questions about this unbelievable hypocrisy? If hypocrisy were an Olympic sport, Hon Mark McGowan would not only win the gold medal in this sport, but also be the world champion, because this is quite something. This is not recent hypocrisy; this is longstanding hypocrisy by the Premier. It is no wonder that the people of Western Australia have become sick and tired of this Labor administration. We saw evidence of that in the Darling Range by-election and the absolute thumping of the Labor administration in the recent federal election. It is no wonder; it is because of this type of hypocrisy. When the leader of Western Australia says one thing and does another, people get fed up very quickly. It was only last week that my good friend Hon Simon O’Brien moved an excellent motion exposing the fact that this government continues to over-promise and underdeliver. Here we have yet another example of gross hypocrisy. I refer to a statement made by Mr McGowan as far back as 2006. That was when he was last a minister. At the time he was the Minister for Education and Training; South West. This is what Mr McGowan had to say under the heading “Pokies’ would increase problem gambling in WA”. The statement is dated Sunday, 19 February 2006. Mr McGowan was very, very busy on that Sunday. He decided to get up early that day and pump out this media release. This is what he had to say —

The study forecasts the number of problem gamblers will increase by 11,250—more than four times current estimates—if access to the gaming machines is liberalised in WA.

“This figure alone is alarming and further underlines the State Government’s approach of restricting gaming machines and banning ‘pokies’ is socially responsible,” Racing and Gaming Minister Mark McGowan said today.

The report ‘Community Impacts of Electronic Gaming Machine Gambling’ was commissioned by the former Victorian Gambling Research Panel and prepared by the South Australian Centre for Economic Studies. It compares community impacts of gambling on electronic gaming machines between Victoria and WA.

...

“Mr McGowan said the study sent a strong message to Opposition leader Matt Birney and other members of the Liberal party who were raising people’s hopes that poker machines would be allowed in WA and access to gaming machines would be extended under a Liberal Government.

“People need to be very worried that the Liberals’ position would cause enormous social disruption in WA,” he said.

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“People also should be aware that the Carpenter Government will absolutely oppose poker machines in WA.”

I hasten to add that I am reading from a media statement in 2006 when Mr McGowan was under the tutelage of Mr Carpenter. Things have changed radically between the Carpenter and McGowan governments. The press release that Mr McGowan pumped out on Sunday, 19 February 2006, goes on to say —

The Minister said the study also revealed that increased access to gaming machines would not result in significant increases in employment.

...

Mr McGowan said the report identified a clear relationship between gambling expenditure and problem gambling.

“Prevalence rates are higher in those States where per capita expenditure on non-lottery gambling is higher.

“The prevalence of problem gamblers is estimated to be three to four times that of WA.

“The report also finds that health issues associated with gambling are four times higher in Victoria than in WA.

“The number of clients attending counselling services in Victoria is almost 1.35 times above that of WA.”

I find this government’s hypocrisy absolutely outstanding.

I would like an opportunity to continue my remarks at the next day’s sitting. I seek leave to continue my remarks at the next day’s sitting.

[Leave granted for the member’s speech to be continued at a later sitting.]

Debate adjourned, on motion by **Hon Sue Ellery (Leader of the House)**.