

BETTING TAX BILL 2018

715. Ms C.M. ROWE to the Minister for Racing and Gaming:

I refer to the historic reform package for the racing industry that was announced today, which includes bringing Western Australia into line with the rest of the country by introducing a point-of-consumption tax.

- (1) Can the minister outline to the house how this reform package will provide a generous ongoing revenue stream for the racing industry?
- (2) Can he advise the house how this package will ensure the long-term sustainability of this industry?

Mr P. PAPALIA replied:

Thank you, Mr Speaker.

Mr J.E. McGrath interjected.

The SPEAKER: Member for South Perth.

Mr P. PAPALIA: Before I respond to the question, on behalf for Minister for Youth, I acknowledge members of the Ministerial Youth Advisory Council in the gallery today.

- (1)–(2) I also acknowledge the member for Belmont’s great support for the racing industry and her advocacy on behalf of the 35 000 Western Australians who derive their income and livelihood from that industry. It is well-known and wonderful to witness.

Mr J.E. McGrath interjected.

The SPEAKER: Member for South Perth, I call you to order for the first time.

Mr P. PAPALIA: I can outline to the house how the reform package will provide a generous ongoing revenue stream for the racing industry. Firstly, the biggest thing it will do is to provide certainty. The industry has been suffering from uncertainty for years now. That is acknowledged. It has had an impact on the racing industry. The industry has also suffered as a consequence of the erosion of the revenue base to the TAB through increases in the proportion of betting done through online measures and sports betting.

Mr J.E. McGrath interjected.

The SPEAKER: Member for South Perth, do you want to go home early?

Mr P. PAPALIA: Both those increases, which have been dramatic, have resulted in a reduction and diminishing over time of the revenue stream available to the TAB and, hence, distributions to the industry.

Mr J.E. McGrath interjected.

The SPEAKER: Member for South Perth, I call you to order for the second time. The TV cameras will not get you.

Mr P. PAPALIA: By providing a solution and addressing the attacks of foreign-owned bookmakers through the creation of a point-of-consumption tax, the government has addressed that erosion of the revenue base. It has provided certainty, it has arrested the decline and it is now providing, through that measure, the most generous distribution package associated with the point-of-consumption revenue in the country.

Across the country now every jurisdiction is going to be rolling out a point-of-consumption tax. South Australia has a 15 per cent tax, Queensland is talking about a 15 per cent tax, New South Wales has a 10 per cent tax, and Victoria has an eight per cent tax. With regard to distribution, South Australia has an annual process whereby the industry has to go begging cap in hand to the minister for a grant of some description—not known, with no certainty. Queensland has refused to even talk about sharing any benefits of the point-of-consumption tax and has created a degree of anxiety in the industry to the extent that the industry is talking about a strike. New South Wales provides 20 per cent of its 10 per cent tax and Victoria provides 18.75 per cent. Western Australia’s industry will benefit from a 30 per cent distribution of a point-of-consumption tax in perpetuity—a revenue stream that guarantees certainty for the industry; a revenue stream it does not currently receive. It provides certainty for the industry. It provides sustainability and now it should provide optimism. It should be supported by the entire state. Anyone with an interest —

Mr Z.R.F. Kirkup interjected.

The SPEAKER: Member for Dawesville, I call you to order for the first time. You will not shout across the chamber again, will you?

Mr P. PAPALIA: The point-of-consumption arrangements, coupled with the TAB sale, which will create an infrastructure fund, 35 per cent of the net sales going to an infrastructure fund for the industry, will provide an

incredibly generous package. It gives certainty that has been lacking for years. I look forward to receiving the support of anyone who claims an interest in the racing industry for getting this through Parliament.