

RACING AND WAGERING WESTERN AUSTRALIA — THOROUGHBRED RACING COMMITTEE

Grievance

MR J.E. McGRATH (South Perth) [9.20 am]: I wonder whether the Treasurer choked on his Weeties on Tuesday morning when he saw the headline in *The West Australian* that said “All bets off for the TAB?” Until I saw the question mark, I was thinking, “What is happening here? Is the industry going to oppose the sale of the TAB?” But then I saw, “Sale rocked by industry ire”. The genesis of this story started last week—I know that it has been raised in Parliament—when all five members of the Thoroughbred Racing Committee, a subcommittee of the Racing and Wagering Western Australia board, wrote a letter of resignation to the chairman of RWWA, Mr Jeff Ovens, and also provided a copy to the minister. The members who signed the letter were Frank Fiore—a constituent of mine in South Perth—Alan Bansemer, Anthony Cipriano, Jarrod Rendell and Neil Pinner. The letter of resignation is very interesting because part of it states —

In recent months, TRC Members have become increasingly concerned about the direction and role of the TRC, and despite attempts to actively engage in discussions about ways of improving the working arrangements, we don’t believe there is intent from RWWA Management and the Thoroughbred code representative on the RWWA Board to genuinely engage and improve the situation.

There have been amendments proposed to the TRC Charter to change the scope of the TRC and limit the role of the members to only provide advice to the Thoroughbred code representative of the RWWA Board on specific matters relating to the WATAB Privatisation ... this goes against the reasons for the establishment of the TRC by the Minister for Racing, to provide informed and considered recommendations to the RWWA Board on a range of matters for improvement on behalf of the industry. The proposed changes to the TRC Charter have the ability to be ... very divisive ... for the thoroughbred code, and significantly diminish the TRC’s ability to have impact.

We feel that the operation and effectiveness of the TRC in recent times has been completely eroded by the manner in which the Committee has been chaired and engaged on these matters —

The chair of that committee is a member of the RWWA board —

The last straw for the Members has been the action of Perth Racing withdrawing their nominee from the TRC and their decision not to continue their involvement in the TRC.

There has been a lot of uncertainty in the industry since Labor won government and the Minister for Racing and Gaming was appointed. I know that the minister has sheeted home some of the blame for that on to the Barnett government when, it could be said, we threw the cat among the pigeons by suggesting that we would onsell the TAB. But in an interview with Gareth Parker on 6PR on 23 August 2017, the minister acknowledged that there was a degree of uncertainty and also a fair amount of division within the racing industry and that he was moving to deal with that. The minister said that there was a plan to sustain the racing industry in the long run and that that must involve collaboration with the industry, which must be part of any deliberations to ensure the industry has ownership of the pathway forward. The minister also said that Mr Richard Burt, the CEO of Racing and Wagering Western Australia, had moved to create advisory groups from each of the three codes to provide him and the board with direct input about the concerns and issues that confront them. The minister also said that the discussion is not solely around the TAB. This is the nub of the problem faced by the members of this board. These honourable people were all elected to this board to represent the various sections of the thoroughbred code that they are involved in. There is general concern in the industry about RWWA’s unilateral decision-making process. We all know that RWWA’s charter is to run the industry. The industry did not want any political interference, and that is fair enough. But I keep hearing concern—I am sure the minister hears it because he meets with racing people—about the goalposts being moved very effectively by RWWA if the wrong person is nominated for the board by an industry group. We saw that happen with Michael Grant. Under RWWA’s charter, the person who gets the most votes from sections of the industry is appointed to the RWWA board. I believe that Michael Grant had five groups supporting him and the other successful candidate had three groups supporting him, but Michael Grant did not get the gig. For some reason, someone on the board did not want Michael Grant to be elected. If a charter is in place, the board should not be able to move the goalposts when it suits it just because it does not like a particular candidate. This has happened again in this instance. This whole matter smells a bit fishy when we learn that the Perth Racing representative on this committee is Neil Pinner. He used to be the chairman of Perth Racing but there was a bit of a political issue and for some reason he resigned. However, he was still on this committee. Last week, Perth Racing sent a letter to Jeff Ovens, the chairman of the RWWA board, saying —

On behalf of the Western Australian Turf Club Board of Directors, I would like to officially inform you of our loss of confidence in our nominated representative to the Thoroughbred Racing Committee (TRC), Mr Neil Pinner.

As per Clause 6 of the TRC Charter, we consider Mr Pinner no longer eligible to represent Perth Racing on the TRC Committee.

I believe that Neil Pinner was not even called in to be told by the directors that they were not happy with what he was doing or that they wanted to replace him. They did not even replace Neil Pinner in the end; they just decided to pull out of the committee. That in itself is something that has raised questions because Perth Racing is a very powerful group.

In closing, although it is not up to government to interfere with RWWA, it is the Minister for Racing and Gaming's role to make sure that everything is running well within the industry. I know that the minister has met with some members of the racing group, but I am asking him today for his view on what has happened in the last four or five weeks and what he thinks can be done to make sure that the racing industry is more satisfied.

MR P. PAPALIA (Warnbro — Minister for Racing and Gaming) [9.27 am]: I thank the member for South Perth for his grievance. At the outset, I would like to reconfirm that the recent resignations from the Thoroughbred Racing Committee and its disbandment is an industry matter between the thoroughbred racing code and the principal racing authority, Racing and Wagering Western Australia. However, in saying that, I thank the member for raising this matter today because it enables me to dispel some of the mistruths and inaccuracies expressed in recent commentary and the article to which the member referred.

By way of background on the formation of the TRC and RWWA's communication with industry, I can advise the following. RWWA, as the principal racing authority, has historically consulted with the industry via the legislated racing eligible bodies through the Thoroughbred Racing Consultative Group on a quarterly basis. In late 2017, RWWA implemented a further layer of governance with the establishment of the TRC to make recommendations to the RWWA board on strategic matters concerning the thoroughbred code. The same was applied to the harness and greyhound industries that also have committees for that purpose. Over the past 15 months, RWWA has worked with TRC on a range of corporate and thoroughbred strategic matters. However, since the establishment of the TRC, RWWA has received ongoing feedback from the industry through the eligible bodies. The TRCG is a bigger body including more representatives from across the industry. It requested better consultation from the TRC with the eligible bodies via the TRCG.

Following feedback from industry and the acknowledgement of the need to focus on the sale of the TAB, the biggest single issue confronting the industry at the moment, I understand the board approved a change in the TRC charter at the March 2019 meeting. The Harness Racing Committee and the Greyhound Racing Committee have both accepted the revised charters and limited strategic scope to focus solely on the Western Australian TAB sale and welcome the opportunity to play their role in this process while the HRCG and GRGC focus on other strategic matters relevant to their codes. The bigger bodies are focusing on other matters. Their versions of the TRC in harness and greyhound racing are focusing on the TAB sale.

Industry feedback in the harness and greyhound codes is that the HRC and GRC have been actively engaging them since their inception and those committees are confident that the HRCG and GRGC can continue the momentum from the strategic matters they have been working on while they focus on the key strategic issue; namely, the TAB sale. As the member would appreciate, the thoroughbred code is a large and complex sector of the racing industry with people coming from all areas of the state, both metropolitan and regional, to participate in many different roles, including jockeys, owners, trainers, breeders and club members just to name a few. It is no surprise that this means that across the code, there are many different perspectives and viewpoints on matters impacting on the racing industry, such as governance, funding and infrastructure upgrades.

Although the commentary in the article in *The West Australian* suggests the sale of the TAB process was a major contributor to the TRC decision, it is a lot broader than that. I can confirm that because I met with the entire TRC, with the exception of Neil Pinner, the day before they resigned. Dare I say, a handful of people within the thoroughbred industry will never be happy, no matter what the government does.

Both RWWA and government have continually consulted and updated key stakeholders, including the racing industry, throughout the initial consultation process prior to deciding on the sale of the TAB and subsequently during the progress of the sale process. Despite the dissolution of the TRC, I understand that RWWA will continue to engage with the eligible bodies, through the TRGC, as well as the greyhound and harness code committees, which will continue to operate and have been unaffected by the TRC resignations. The other two codes are completely unaffected.

While I have this opportunity, I want to touch on the TAB sale process and the criticism that is put forward about that process in *The West Australian* article and other commentary. The years of uncertainty facing the racing industry were created by the previous Premier when he unilaterally announced in 2013 the sale of the TAB without any consultation or due diligence. Subsequently, the former government's ministers took no action to pursue that matter. From 2013 to the end of their term of government, there has been uncertainty. That was true; there was uncertainty. When the McGowan government came to office, it did not have a commitment to sell. It was going to

sell only if the industry wanted it. The McGowan government completed a broad consultation period. The reforms to the racing industry were developed in close consultation with the industry. Consultation involved 12 metropolitan and regional forums and 107 submissions to a discussion paper as well as meetings with the RWWA board and its thoroughbred, harness and greyhound racing subcommittees. Overall, feedback was supportive.

Government has been in close consultation with industry throughout this process, and from that consultation has reached the overwhelming consensus that selling the TAB is in the best interests of the local racing industry across the state. The chairperson of each of the three racing code subcommittees—thoroughbred, harness and greyhound—all wrote to the government last year to indicate that consultation with government on the potential sale has been constructive and transparent. Submissions to a discussion paper on the sale of the TAB indicate broad acceptance of our plan across the industry. In particular, submissions are focused on how best the sale can be structured, rather than whether it should proceed.

As the member is aware, the sale will guarantee that the industry secures funding to ensure the long-term sustainability of the industry, instead of relying on a drip-feed of funding from the government of the day. Further, to end the years of uncertainty for the racing industry, the McGowan government has implemented the point of consumption tax, working to secure the best package for industry in the entire country. That is undeniable; no-one has questioned that. This could not have been achieved without consultation and advocacy from industry. They have helped to secure an annual, reliable revenue stream for the industry for years to come. The sale of the TAB was not high on our agenda when we came to government. However, in response to industry desire for certainty and the continued long-term stability of the racing industry, we commenced a thorough consultation process shortly after being elected and are now progressing with the sale of the TAB.

I want to be clear before I conclude that this is the process; this is the offer. I signal to everyone in the industry and everyone in Parliament that there is no other offer. If this does not go ahead, it is not the government that will be concerned or pained, but the industry. I urge everyone to stay focused on getting the job done and achieving certainty for the industry through the sale of the TAB.