

TAB — PRIVATISATION

**761. Ms C.M. ROWE to the Minister for Small Business:**

I refer to the racing reform package announced by the McGowan Labor government earlier this week. What impact will this have on local TAB agents, and how has the government ensured that local small businesses are protected under these historic reforms?

**Mr P. PAPALIA replied:**

I thank the member for the question because often when people talk about the TAB and the racing industry, they overlook the small businesses associated with the TAB outlets. I want to particularly address the matter for the purposes of responding to reports about comments that were made by Jeff Miles, the president of the WA TAB Agents Association, in various media outlets the day before yesterday in response to the announcement of our package of reforms. One of his comments was —

The association calls on the government to include measures in the bill of sale to protect the 120 small businesses operating retail TAB stores across the state, as the TAB transitions from public to private ownership.

He said that on *WAtoday*. He made other comments about the package but he said they conditionally welcome it. I assure Mr Miles, with whom I have met, both in government and opposition—I am sure that many members, certainly on our side of the house and many on the other side, have met with Mr Miles or other representatives of the TAB association in recent times—that the government was very cognisant of the need to take their circumstances into account as we went through this process. They were consulted by my office, the agency and Racing and Wagering WA. It must be said that in 2016, under the previous government, a clause in their agreement that assured them of a buyback opportunity in the event that they were forced out of the business was removed. Currently, there is no obligation on the principal racing authority—RWWA—or the government to provide any form of buyback in any way to TAB agents. We are not obliged to do that, but we have announced, as we did when we announced the package, that we would accommodate reintroducing a form of support for people who are forced to leave. We said that will apply for three years post—the sale. They will be guaranteed a minimum amount of compensation, which will be linked to the size of their agency. If the agency closes in the first three years of the arrangement, they will be entitled to a form of compensation up to \$100 000. That is not currently extant; they will get nothing thanks to the circumstances we inherited.

We have also ensured certainty for the future, primarily for the TAB and the TAB outlets. We have tackled the foreign-owned corporate bookmakers who are taking an increasingly large proportion of the overall betting activity in this state and paying no tax. We are also addressing the loss to sports betting increasingly growing where the TAB is unable to compete because of a lack of resources and the scale and technology of its competitors. We are addressing that through the sale process. We will set up the industry in Western Australia with an infrastructure fund and a flow of revenue, through a point-of-consumption tax that is the most generous in the country, which will ensure that the product that TAB outlets are selling is sustainable. Those are significant contributions to the support of the TAB outlets and the TAB network. I also put on *Hansard* that, during this forthcoming process, we will ensure that the current rights under their contracts will remain in place, removing any uncertainty about the direction of the future TAB operator. In all, we have taken into account—this is on the direct guidance of the Premier from the very outset of this process—that the TAB agents should be taken care of. I am open to the suggestion from Mr Miles that we continue collaboration and close discussion during the process. There will be a steering committee with RWWA representatives, to provide industry input following the conclusion of the introduction of point-of-consumption legislation, and throughout the TAB sale legislation preparation. I am open to the suggestion that the TAB outlets have representation on that steering committee.