

Mr Max Trenorden; Mr Matt Birney; Mr John Kobelke; Mr Phillip Pendal; Acting Speaker; Mr John D'Orazio;
Mr Tony Dean; Mr Terry Waldron; Mr Monty House

RACING AND WAGERING WESTERN AUSTRALIA BILL 2003

Consideration in Detail

Clauses 1 and 2 put and passed.

Clause 3: Definitions -

Mr M.W. TRENORDEN: I move -

Page 3, after line 11 - To insert the following -

“country” means that part of the State not included in the *Metropolitan Region Town Planning Scheme Act 1959*;

This amendment is important to some other amendments that will be moved further on in the Bill when we discuss issues about representation in clause 8. We need to establish a boundary definition if other clauses are to be passed later on. I am sure the minister has received some direction on this issue.

Mr M.J. BIRNEY: The Liberal Party will be supporting this amendment. As the Leader of the National Party has said, this is basically a consequential amendment that becomes important if future National Party amendments are accepted. We will also be supporting at least one of the National Party amendments; it follows that we will also support this amendment.

Mr J.C. KOBELKE: I make it clear that the Minister for Racing and Gaming is in the other place and I do not have the expertise in this area. Therefore, I will be using advisers who have a long history in the industry. The minister, Hon Nick Griffiths, has gone to the trouble of providing me with details relating to particular amendments. He has also indicated that he is happy to accept some of the amendments on the Notice Paper. However, this is not one of them. The minister has asked me to point out that this amendment supports other amendments to clause 8 proposed by the member for Avon that would result in a requirement for one of the two thoroughbred racing industry nominations and one of the two harness racing industry nominations to be persons from the country. The Government does not support this amendment. The intention of establishing Racing and Wagering Western Australia is to move away from vested interests' representation so that RWWA can work at developing a single racing industry on a cooperative rather than a competitive basis with a common goal of developing the racing industry as one. The Turner report was fundamental to this legislation, and that report makes it absolutely clear that we should move to one industry with three different codes. We do not support this amendment, but even if we did, there would be a better way to handle it. The definition of “country” would not be required, because “metropolitan area” is presently defined in the Bill. Therefore, references to “country” could be made by referring to places outside the metropolitan area. This forms part of the member's other amendments, also on the Notice Paper, which are totally contrary to the Turner report and which have been fundamental to this major change as proposed in this suite of legislation for the racing industry.

Mr M.W. TRENORDEN: The definition of “metropolitan area” is referred to at the top of page 4. I do not understand the minister's comments. It states -

“metropolitan area” means the part of the State that comprises the region described in the Third Schedule to the *Metropolitan Region Town Planning Scheme Act 1959*;

I cannot see the danger of having an opposite definition in the Bill, because we have not yet debated clause 8.

Mr J.C. Kobelke: I take the member's point that this would be an alternative way to go. The fundamental issue is what the member is seeking to do is contrary to the whole issue.

Mr M.W. TRENORDEN: I understand that. I know the minister is under instructions, but if my amendment were accepted, it would make little difference to the process of this legislation. The Bill would contain a definition of “country” which may be useful at some other time. I guess the minister could argue that it could be inserted at some other time. It would have been easier for us if the Bill contained a definition of “country”. I accept that the primary debate will be in another place, but we will still be seeking to include a definition of “country”, and not for the reasons the minister has outlined. We want the division in the board. I made it clear in my second reading speech that we do not want disruption within the board, but the board will consist of people with particular expertise. Our argument is that country people will have particular expertise.

Amendment put and negatived.

Clause put and passed.

Clause 4 put and passed.

Clause 5: RWWA not an agent of the Crown -

Extract from Hansard
[ASSEMBLY - Tuesday, 6 May 2003]
p7074b-7090a

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Mr Tony Dean; Mr Terry Waldron; Mr Monty House

Mr M.J. BIRNEY: Clause 5 provides that RWWA will not be an agent of the Crown, and will not have the status, immunity and privileges of the Crown. I accept that that will be the case, but does that mean it will not be subject to control by the Auditor General, for instance? If it will not be subject to control by the Auditor General, will there be an audit function or some form of redress?

Mr J.C. KOBELKE: A clause later in the Bill addresses the matter of the Auditor General having coverage.

Mr M.J. BIRNEY: The Auditor General will cover RWWA even though it is not an agent of the Crown?

Mr J.C. KOBELKE: That is correct.

Mr M.W. TRENORDEN: It is interesting that the Bill provides in clause 5 that RWWA is not an agent of the Crown. It also provides in clause 6 that RWWA is not, and is not to become, a public sector body under the Public Sector Management Act; and neither the CEO nor any member of staff is to be included in the senior executive service provided for by the Public Sector Management Act. I strongly support the process whereby RWWA is not an agent of the Crown but in the future will be subject to the accountability processes contained in the Bill. Some of the people to whom I spoke during my consultations are concerned about the lack of input by the minister into the process after the passage of the Bill.

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: I am saying that some people said to me that they would prefer the minister to have greater involvement. That is a minority of the people who came to me, but that is the point they made. It is interesting that later in the Bill there is provision for the minister to veto loans and other matters. There is a curious mix throughout the Bill in which RWWA is not part of the Public Service in some respects but is part of the Public Service in other respects. I approve of the process, but I want to be fair to some of the people who expressed a concern to me that the minister will have less influence in this industry than in some other industries, given that the money on which this industry runs is purely public funds.

Mr P.G. PENDAL: I would like the minister to explain to me what it means when we are told that RWWA is not to be an agent of the Crown. The reason for my question is partly to do with the most recent remark of the Leader of the National Party. I want to get an understanding of whether this legislation, in which we are dealing with a new authority that is not an agent of the Crown, will have any implications for whose money will ultimately be distributed through the TAB. A view is circulating in the industry that that money is not public money but is somehow private money. Incidentally, that is completely false, but I want to know whether the minister has received advice to the contrary and whether the "ownership" of the money is affected by clause 5, which states that the new authority is not an agent of the Crown.

Mr J.C. KOBELKE: There is no issue with regard to how the money will be affected. The reason for this clause relates to factors such as the National Competition Council and competitive neutrality. In other States gambling institutions are now privately owned.

Mr P.G. Pendal: In this State they are not privately owned.

Mr J.C. KOBELKE: No, but the whole idea of competitive neutrality is that RWWA might get some advantage through an exemption from land tax or things like that if it were an agent of the Crown. The reason for the clause is to remove those sorts of issues so that RWWA will work as a commercial body. The fact that RWWA will not be an agent of the Crown will give it greater commercial flexibility.

Mr P.G. PENDAL: Is the minister giving me an assurance, with the assistance of his advisers, that in legislating that the new authority will not be an agent of the Crown, that will have no impact on or significance for the question of who owns the funds that are ultimately distributed by the TAB?

Mr J.C. Kobelke: The advice is that there will be more control by government, because currently they are separate codes, but now they will be brought under this one body. In that respect there will be greater control and transparency of the funds that are involved.

Mr P.G. PENDAL: That is not what I am asking and that is not what I am seeking assurances about. The minister is implying almost that the reason RWWA will not be an agent of the Crown is that he wants the new body to be more responsive to things such as the national competition policy. If that is the case, I do not have any particular problem. What I want, though, is an assurance that in treating the new authority as not being an agent of the Crown the Parliament is not making any statement or judgment at this stage about the money that is distributed. This has an impact on the amendments that I propose to move later. The reason for my question is that there is a view by some people in the combined industries that we should not get too concerned about the new authority and its capacity to distribute funds according to the formula because we are not dealing with public money. That is a legal nonsense, because it is public money that we are dealing with.

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Mr J.C. Kobelke: It is public money, but the money is controlled by a statute, and a range of provisions later in the Bill set out in great detail matters relating to the control of that money.

Mr P.G. PENDAL: Indeed, and I wanted the minister to say for the record that there is no dispute on the part of the Government that we are dealing with anything other than public money, because that view is not universally shared. I happen to agree with the view of the minister, if that is what he is now saying by way of interjection, but it is important that I get that assurance given the amendments that I propose to move later.

Mr M.J. BIRNEY: There is some debate about whether the profits of the TAB are public money. Public money is generally thought of as taxation. Of course a tax is applied to the TAB by way of turnover - I think that is currently set at five per cent - and there can be absolutely no argument that that money is public money, because it is a tax. The \$60-odd million generated by way of profits from the TAB each year is, however, not a tax. It is simply money generated by the gamblers of Western Australia who are connected with the three codes, be it racing, chasing or pacing. I am not quite as confident as the minister that the money that we are talking about - the TAB profits that are distributed to the three codes - is public money. A strong argument could be made that that money belongs to the gamblers of Western Australia, and the gamblers of Western Australia then distribute that money by way of their representative body. I am not totally convinced that what we are talking about here is purely and simply public money, albeit I acknowledge there is some debate about it and a grey area surrounds this issue.

Mr M.W. TRENORDEN: I was a member of the Public Accounts Committee - back at a date that someone at the Table might be able to tell us - when the committee found that moneys generated by public servants under a statute are clearly public funds. That finding has not been disputed for some time. I tell the member for Kalgoorlie that the important issue is that the people who run the process are public servants in a public entity.

I have another question about clause 5. Will the minister explain to me the relationship between clauses 5 and 18? Clause 18 states that when a nominated director is also a public service officer, the duties of the director must prevail. In other words, a director of Racing and Wagering Western Australia who is also a public servant must put RWWA duties above public service duties. I am unclear about how clauses 5 and 18 interact. Clause 5 states that RWWA is not an agent of the Crown. Obviously there is no reason that at some time in the future RWWA could not have a director who is a public servant. Will the minister explain how those two clauses interact?

Mr J.C. KOBELKE: The member has referred to clause 18, with which we are not yet dealing, and which refers to a public service officer. The point is that directors of RWWA will not generally be public service officers, but in some cases they may or will be. Clause 18 indicates how to resolve a conflict of interest or how to ensure there is no conflict of interest for directors who may also be public service officers. Because the RWWA is not an agent of the Crown, a public service officer might be regarded as someone from outside the organisation with allegiances to other authorities through the Public Sector Management Act. However, in that officer's role as a director of RWWA, he or she must put the interests of RWWA first. That is all clause 18 says.

Mr M.W. TRENORDEN: I am not clear on that point. For example, the gentleman sitting opposite the minister is a well-established person in the industry who perhaps might be a director. However, he would also have a heap of other responsibilities. Clause 5 states that RWWA is not an agent of the Crown and therefore does not operate under any statute. However, a nominated director could be a senior public servant who has other responsibilities. I am not sure how those two clauses interact with each other. The Bill states that a director must take his or her responsibilities as a director of RWWA first and foremost; however, that nominated director could have a conflict of interest given the requirements of his or her duties as a public servant.

Mr J.C. KOBELKE: I am not the minister who developed this legislation and I do not have the fine detail to answer some of these questions. I certainly will have further briefings. A number of briefings have occurred, but on the surface of the matter and on the advice I have received in the Chamber, there is no connection between the two clauses. Clauses 5 and 18 may interact in some way in particular scenarios that the Leader of the National Party could outline, but there is no real connection between the two.

Mr M.W. Trenorden: I understand. Nevertheless, there is no point continuing with this for the reasons you outlined. I may have to seek advice.

Clause put and passed.

Clauses 6 to 7 put and passed.

Clause 8: How the board of directors is constituted -

Mr M.J. BIRNEY: This clause has been, and continues to be, rather contentious and has generated a great deal of interest in the racing industry. Members might like to cast their minds back to the initial debate on this clause.

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The clause refers to the constitution of the new Racing and Wagering Western Australia board. The new board will become all powerful over racing and wagering in Western Australia. The constitution of the board is therefore of paramount importance.

I believe the initial proposal put forward by the Minister for Racing and Gaming was that two persons nominated by the thoroughbred racing industry, one by the trotting industry and one by the greyhound racing industry would each take up a seat on that board. That proposal met with some resistance, particularly from the trotting industry. The trotting industry then employed Messrs Burke and Grill, who became terribly involved in this legislation. All of a sudden - badda-bing, badda-bong - two people will now represent the trotting industry. The process undertaken in that regard was a very interesting and watchable process indeed.

The current proposal, following on from those very earnest representations made by Messrs Burke and Grill, is for two persons to be nominated by the racing industry, two by the trotting industry and one by the greyhound racing industry. The Turner report recommended that no direct representatives of those industries take up positions on the board and that there be only seven members of the board, not 10 as is currently proposed. The concept in the Turner report was that the new board members would represent the racing, pacing and chasing industry as a whole, rather than coming from a vested-interest position from either of the three codes.

The Liberal Party wishes to move an amendment to this clause and it might be time for me to move that amendment. There are two amendments to the same clause standing in my name on the Notice Paper. I seek some clarification, Mr Acting Speaker, on whether I can move them together.

The ACTING SPEAKER (Mr J.P.D. Edwards): To keep us on track and clear about where we are going, the member for Kalgoorlie should move them one at a time. I note that the National Party has an amendment on the Notice Paper that precedes the second amendment.

Mr M.J. BIRNEY: I move -

Page 9, line 1 - To delete "2" and substitute "1".

The Liberal Party proposes that only three code nominees take up positions on the board, rather than five, as proposed in the current legislation. We are of the view that with three code representatives, as opposed to five, there will be fewer opportunities for the board to be controlled by code people. As I said, the Turner recommendation was that no direct code people be nominated for the board. The Opposition is still of the view that each of those codes should have a representative voice on the board. However, the Opposition does not think the boards should be overly weighted with direct code representatives, hence this amendment.

Mr P.G. PENDAL: I understand that the Bill provides for nine people to be on what we are all learning to refer to as RWWA. The Government envisages in the post-February amendments that five of those nine will represent the three codes; that is, two from racing, two from trotting and one from greyhounds. By my arithmetic, under the Government's proposal, which is the one I favour, with five people representing the three codes, 40 per cent will come from racing, 40 per cent from trotting and 20 per cent from greyhounds. If my maths is right, I am astonished if the Liberal Party is now suggesting that it wants to see all of those percentages changed to thirty-three and a third per cent. The impact of the Liberal Party's suggestion is that the codes would have less impact, not more, on their future. If that is true of the Liberal Party stance, I am astonished. I was astonished at the start, as I think I indicated during the second reading debate, that the Liberal Party, or for that matter the National Party, wanted to be part of this Bill in the first place. The worst aspect of the Bill effectively nationalises the three codes. The clubs fade away into insignificance and the statutory authority, which surely the Liberal Party is most opposed to, will rise in the equation. If all of that is true - and it is true - it is something I cannot follow. Surely, the last thing the Liberal Party wants to do is undermine a private club in our society. Whatever other deficiency the three codes have, none of them needs to have the finger pointed at it to the extent that it has become moribund or redundant. There may be things highlighted in the Turner report that need to be jazzed up and improved, but I am astonished not only at the Liberal Party attitude but also at the codes themselves if they agree with a major plan that will nationalise the three codes. However, I am a realist. The codes have accepted that and therefore the Bill will be passed. Unless I am misreading the figures, I cannot understand the member for Kalgoorlie saying in this place that out of a statutory authority of nine people we should reduce the number representing the codes.

Mr J.B. D'Orazio interjected.

Mr P.G. PENDAL: It will still reduce the clout of the private clubs. We should not forget that that is what we are dealing with. Let me correct that: Greyhound racing has always been controlled by a statutory authority. However, neither racing nor trotting has been. As we know from other parts of the Bill, these people are giving away enormous conditions, such as the rights over racing dates and the control of stewards. I would be the first

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to agree that we would overtake those club responsibilities if we found massive fraud, massive drug scandals or massive anything, but we have not.

I come back to my concerns about the member for Kalgoorlie putting a Liberal Party proposition that seeks to cut by 50 per cent the number of people who would be representing thoroughbred racing and the number who would be representing harness racing, leaving intact the number representing greyhound racing. To my mind, that would sign the death warrant of the first two codes, which hitherto have not been subjected to statutory authority in the same way that greyhound racing has. There may be a good argument for it, but the member for Kalgoorlie has certainly not given it to us. I believe there are many shortcomings in the Government's Bill, but they are worth living with, rather than reducing the representation of the two codes mentioned in paragraphs (b) and (c).

Mr M.J. BIRNEY: I am not sure that there is any need for the member for South Perth to be astonished by our amendments because they are more aligned to the Turner report than is the legislation currently. For the benefit of the member for South Perth, the Turner report recommended that zero people directly represent the three codes in Western Australia. We do not completely agree with that point of view. We believe that the three codes of the trotting, racing and greyhound industries should have some representation and some voice on the new board. That is why we are proposing that there be a representative, but only one, from each of the three codes. That would leave four so-called independent directors who would also sit on the board. That would ensure that each of the three codes had a voice on the new board, but equally the new board would maintain its independence and charter, which is to promote and foster racing as a whole in Western Australia. It is no secret that the three codes are like cats and dogs. The potential for conflict would be very real if five directly elected code representatives were sitting on the new board. Each would obviously want to push his or her own barrow. The Liberal Party and I can see massive potential conflict, possibly at the expense of the industry in Western Australia. We are therefore simply saying that the majority of the people on the board should be properly elected, independent people.

Mr P.G. Pendal: They will not be elected.

Mr M.J. BIRNEY: They should be properly appointed independent people. An election process will still occur with the selection panel. Board members will be appointed by a majority vote of the selection panel, so there will be an election process contrary to the representation of the member for South Perth. Clearly, the important thing here is that the board be able to carry out its duties in a completely independent and open fashion. If the board were stacked with code people, the potential for conflict between the codes would increase. Notwithstanding that, it is important that each of the three codes has a voice on the board so that the voice can put the code's point of view and bring its particular field of expertise to the board. The board must be independent and must be able to operate independently. The best way to do that is to ensure that the majority of board members are independently elected or appointed.

Mr J.C. KOBELKE: The Government opposes this amendment. The decision to change the composition of the board to allow the harness and thoroughbred racing codes each to nominate two members was made after constructive consultation with the racing industry. In proposing the composition of the board of Racing and Wagering Western Australia, the Government took into account a range of factors, including the number and distribution of clubs outside the metropolitan area and the size and scope of respective racing codes. The Government does not believe that one nomination each from thoroughbred racing and harness racing is adequate considering the size and variance in the operation of the two racing codes throughout Australia. I note also that other members indicated other factors would have to be taken into account if a shift were to occur in the balance of the membership of Racing and Wagering WA.

Mr J.B. D'ORAZIO: The member for Kalgoorlie forgets one thing with his amendment: if a board of nine members contained five people from the industry, the industry would have control. Albeit they may be at loggerheads with each another, they would have the ability to apply the process when dealing with issues common to the codes. If the member's amendment were successful, only three members from the codes would be on a board comprising seven members; therefore, the codes would lose all control. The incentive of the membership proposed by the Government is that the codes can influence the process when dealing with issues common to all codes. This proposal has been developed through consultation with a heap of people, and it is acceptable to everyone. The member's amendment endangers the passage of the entire Bill. It is stupid and irresponsible.

Mr P.G. PENDAL: This is the first time since I have been a member of this Parliament that the Liberal Party has advocated a majority of government appointees on any body, as opposed to a majority of private sector representatives. The mathematics say it all. The three codes would have only three members in a membership of seven under the plan of the member for Kalgoorlie. It does not need Archimedes to work out that that is a

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minority. The Government's proposal, for all its shortcomings - I have said before there are many - is for five industry members on a board of nine. One need not be a mathematical genius to work out that that is a majority.

The clubs have been remiss in giving away their membership. I am not so concerned about greyhounds, as that body has been under government control for 20-odd years. However, the two other codes will rue the day they give way to the proposal in the Bill to effectively nationalise their industries. The one redeeming feature of the make-up of the board from the Government's point of view is that five out of nine any time of the week beats three out of seven. Whether we be private enterprise people, public enterprise people or socialistically inclined people, surely no member in the Chamber would say that the WA Turf Club and the Trotting Association and, to a lesser extent because of their current legal position, the greyhound people do not have a valid and strong case for their representation. The position of the three codes, especially trotting and galloping, would be irreparably damaged if Parliament were to accept the Liberal Party's amendment. It is clear the Government will win on this amendment, about which I am delighted in this case. However, I am staggered to hear the arguments coming from the Liberal Party.

Mr M.J. BIRNEY: I make two points following the comments of the member for South Perth. He said that in all his time in this place he could not remember the Liberal Party proposing a board comprising more government appointments than private appointments. Clearly such membership would not be the case if the Government accepts this amendment. The four so-called independently selected directors referred to in clause 8 would be chosen by a selection panel comprising one greyhound racing person, one trotting person, one thoroughbred racing person, one director nominated by the board, and one person appointed by the minister. The selection panel clearly would come from the industry. Presumably, that selection panel will appoint people to the board who they think are worthwhile. We are not talking about government appointments to the board that would make up the four independent directors' positions. I am not sure whether the member for South Perth has read clause 11. It outlines very clearly the nature of the people selected for the selection committee. Those people then decide who is selected to the board. I think I have put that point to bed as much as is possible.

I will pick up on the point made by the member for Ballajura, who said that the proposal was ridiculous and would not work. I will present a scenario to members. What if a question arises at the board level about an issue that has the potential to impact greatly on one or all of the three codes? It may be a question of TAB profit distribution. The trotting people will say they want more, the racing people will say they want more, and the greyhound people will also say they want more. It will be regardless of the merits of any of the arguments. The only way the board can function correctly is if there is a majority of independent people who do not have vested interests in either of the three codes. If we have five people from the codes and four so-called independent directors charged with administering the money to the three codes in a certain fashion, all hell will break loose. The five code people will never agree; they do not currently agree, they have never agreed in the past and they are not likely to agree in the future. If the code representatives number only three instead of five, and the majority of people on the board are independent, cooler heads will prevail and, hopefully, the industry will be better off for it.

Mr A.J. DEAN: The member for Kalgoorlie does a great disservice to people in the industry by suggesting that they could not come to an understanding on the distribution of profits. It is a slap in the face.

It is obvious from the amendments before us that the Liberal and National Parties are not talking to each other. I assume that the National Party will vote against this amendment because it contradicts its proposed amendment. If this amendment is successful and the figure "1" is substituted, and the National Party amendment, "one of which must be from the country" is accepted, it becomes mathematically impossible. I assume that the National Party is at odds with its colleagues over this and will vote accordingly. I do not see any merit in diminishing the influence that the codes will have on the board. The member for Kalgoorlie has pointed out that four independent members could be drawn from the industry, but may not be. They may not be directly involved in the industry. Obviously, the criteria dictates that they are more than likely going to be. Because of the chance that they may not be, five members - that is, two and two and one - is a more than adequate provision to ensure that this industry goes forward. The main sticking point with the Liberals is that the industry agrees on this. It is very enthusiastic about this Bill and that sticks in the Liberals' gullet; they cannot understand that. We must deal with the proposed amendments and get them out of the way. They should be put in the rubbish bin where they belong.

Mr M.W. TRENORDEN: Listening to the member for Bunbury it is obvious he has not spoken to all the board members of his own club, particularly the racing club.

Mr A.J. Dean: I have.

Mr M.W. TRENORDEN: They have a different view when they speak to me.

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Mr N.R. Marlborough: We don't want to see any prejudices on this board, except when it comes to the country. Then we'd like to have a bloody big prejudice on the board!

Mr M.W. TRENORDEN: If that is the case, coming from the most prejudiced person in the Chamber, I stand corrected. If there is anyone who wears his prejudice on his sleeve, it is the member for Peel.

An opposition member interjected.

Mr M.W. TRENORDEN: It is short sleeved, but at least he shows that he is fairly ignorant on most matters. I have already said what I need to say. We know that there are some matters with country racing. The minister in the other place accepts my argument in part, but he will not accept the amendments, so we will have this debate perhaps in another place. However, the National Party does not back away from the fact that right at the beginning of this process we wanted two, two and one representation, and for one of each of the two members from thoroughbred racing and trotting to come from the country.

Mr M.J. BIRNEY: Members are obviously aware that the Liberal Party's preferred position is that the board consist of one member from each of the three codes. That question has been put and lost, so we are now forced to deal with the reality that two members will come from racing and trotting and one will come from the greyhounds. Given that that appears to be the case, it is important that country people are given a voice on the new board and that they are afforded the opportunity to put forward a country perspective of whichever code they represent. An analysis of the figures for the contribution made by various clubs, but particularly provincial racing clubs, shows that provincial racing clubs contribute greatly to the Totalisator Agency Board turnover. In fact, it could be suggested that the provincial racing clubs are hard done by given that they receive a smaller percentage than they contribute to the TAB turnover. Country areas of not only racing but also trotting are major contributors to the racing industry. Given that our amendment has been lost, the National Party's amendment is the next best thing, and we will support that amendment to ensure that country people are given a voice on the new board.

Mr A.J. DEAN: I must speak to this amendment, which I think is a great insult to country people, and I will give a classic example.

Mr M.J. Birney: Are you reading it upside down?

Mr A.J. DEAN: No. Why should one spot be reserved for country people? Are members presuming that country people do not have the expertise to gain a position on the board simply because they live in the country. A classic example of that is Dr Manea. Currently he is the President of the International Trotting Association. He has reached that position not because he is a member of a country trotting club; he has reached that position because he has the expertise, knowledge and intellect to deliver the goods. It goes back to the best person for the job situation.

Mr M.W. Trenorden: Is he supporting your Bill?

Mr A.J. DEAN: Largely, yes.

Mr M.W. Trenorden: Largely, yes!

Mr A.J. DEAN: Unlike some people in this place, I am being honest. We do not have to reserve special positions for country people, because they will get there by the power of their intellect and knowledge. I do not know what the Government's position is on this amendment, but I disagree with it because it is an insult to the intellect of country people.

Mr T.K. WALDRON: I support this amendment. I do not think it is an insult to country people. It is important that if there is no country representation on the board, we ensure that there are people with regional understanding on the board. I know that subclause (2) deals with that to a certain extent. I will cite the example of the West Australian Football Commission, which did not have any country membership or expertise at one stage. It was found that that was to its detriment. Certain decisions were made and the commission realised in hindsight that had there been some country expertise on the board, those decisions would not have been made. Those decisions have had ongoing ramifications for that industry. In fact, Ian Taylor, a former Leader of the Opposition, is now a member of the West Australian Football Commission mainly because of his country expertise, even though he no longer lives in the country. I support this amendment, but if it does not go through it is imperative, whatever happens, that people with rural knowledge of the industry are on the board. Otherwise, decisions may be made that have long-term ramifications, as happened in the football industry.

Mr M.G. HOUSE: I also support the amendment. The level of representation of rural racing and trotting in the past few years has been to the detriment of those codes generally, not just in rural Western Australia. Much of the breeding takes place in the country, and the inexperienced horses and the young jockeys get their experience

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at the country racetrack level. Those country racetracks play a very important part in the progress of racing generally in the metropolitan area. Those industries are very important economically. Racetracks in Mt Barker and Albany have been dealt a very raw deal by the Western Australian Turf Club in recent years. I understand what the member for Bunbury said a while ago, but despite the best efforts of people like Dixie Solly and others, who have put their heart and soul into trying to rectify the situation, the misallocation of race meetings to days that did not suit anybody else and the reduction in the number of races have been to the detriment of country racing. We, as country representatives, cannot sit here and just believe that all of that will change. All the evidence has been quite to the contrary. I cannot for the life of me see why the Government would not be prepared to accept an amendment like this. It is fair and reasonable and gives a fair say to a group of people who have not been represented. There has not been fair representation on the Western Australian Turf Club of country people over the past few years. As a consequence of that, we have not had a fair allocation of race meeting dates and racing trust money. City racing and trotting have suffered as a consequence of those clubs not having had a fair go in the past. To accept this amendment would be a small change to the Government's legislation that is worth a try. It would give a whole group of people at least a fair say in the allocation of race dates and money to country racetracks.

Mr J.C. KOBELKE: For the same reasons I indicated earlier, the Government will not support this amendment. It is one of a number of amendments that have the same effect. I draw the attention of members to clause 8(2), which reads -

At least one of the persons selected for the purposes of subsection (1)(e) is to have knowledge of, and experience in, regional development.

This issue is that there will be one person with special knowledge of regional development amongst the specialised people selected in accordance with the criteria set out in subclause (1)(e).

Mr M.J. Birney: Can you clarify what regional development means? What does experience in regional development entail?

Mr J.C. KOBELKE: It is not defined in the definitions section, but it has the normal meaning that is placed on it. This was put in after the Leader of the National Party raised the matter during the early stages of the preparation of the Bill.

Mr M.W. TRENORDEN: Because of the enlightened contribution of the member for Bunbury, I will make some points about country contributions. I will give three examples from the past. The first refers to one of the fantastic racing clubs of Western Australia, the Kalgoorlie Racing Club. A number of years ago that club had a great deal of strife with the Western Australian Turf Club, trying to get Sky Channel into Kalgoorlie, and getting access to funds to allow the contribution of Sky Channel to make Kalgoorlie a strong and viable club. There was a huge fight over that issue for two years. It was strongly fought against by the Turf Club, because the Turf Club would consider only its own view and would not look at the contribution of Kalgoorlie. In hindsight, I am sure those members of the Turf Club would support what is happening now at Kalgoorlie, and the role Kalgoorlie now plays in provincial racing.

Another issue - much smaller - which irritated me at the time was at Wyalkatchem. The town held trotting meetings there on a couple of occasions a year and sought a TAB allocation. The Turf Club opposed that application and knocked it off, and the reason is still beyond me. What difference would it have made to the Turf Club for a tiny town like Wyalkatchem to have TAB coverage of its trotting meeting, which happens to be its show day? When I fronted members of the Turf Club about it they had no reason other than that it was the trots. They did not understand what that action did to the community of Wyalkatchem. I was born and bred in that town. During my youth the people of Wyalkatchem had a significant involvement with thoroughbred or standard bred racing. It killed that community off as a participant in the greater racing industry. Only last year the Turf Club received a bit less than a million dollars for a bar at Ascot, over and above all the applications that could have been heard from country people. It had the numbers and the power. I was amazed that the Press and other people did not chase that up. It cost nearly a million dollars to stick a bar in at Ascot - and Ascot and Belmont are not the best at attracting people on course. I understand that the bar is not well patronised anyhow. They are three good reasons, and there are thousands of other reasons for looking not at a section of the industry but at the total industry.

Mr M.J. BIRNEY: The minister made a point with regard to clause 8(2), which states -

At least one of the persons selected for the purposes of subsection 1(e) -

Which is one of the four independent directors -

is to have knowledge of, and experience in, regional development.

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I can see this being quite a significant problem for the selection panel. How can we quantify knowledge of, and experience in, regional development? I can understand if we are talking about a former employee of the Department of Local Government and Regional Development, because they would fit in nicely, but anyone other than a former employee of the department will have trouble fitting in because we do not know what this term "regional development" means. Does it mean someone who used to be a property developer or a miner in Kalgoorlie? Can the minister quantify that statement for us?

Mr J.C. Kobelke: I do not agree. They will have no problem at all.

Mr M.J. BIRNEY: What is regional development? This is the minister's opportunity go on the record and tell the selection panel what is meant by regional development. It would have been a lot easier to take on board the National Party's recommendation; that is, to ensure that one of those two people from each of the two codes is a country person.

Mr J.C. Kobelke: It is broad and adequate. There will be no trouble interpreting what it means. Similarly, the term "from the country" is broad and could have different definitions.

Mr M.J. BIRNEY: "From the country" is clearly quantified. If we had picked up the National Party's first amendment, "country" would have meant that directors were to come from country areas according to the Metropolitan Region Town Planning Scheme Act. That could be easily quantified, whereas "regional development" is a very broad term that is open to challenge. Unless we have a definition for "regional development", the selection panel will be faced with a huge dilemma trying to understand what is meant. Someone could put up his hand and say that he used to live in Geraldton and once did a development. Will that count? It has nothing to do with the racing industry. It is far too broad. No definition is provided in the front of the Bill. Can the minister provide a few examples of what he thinks might constitute regional development?

Mr J.C. KOBELKE: If the member for Kalgoorlie is trying to kill this legislation, he can. We have limited time in which to get this legislation through.

Mr M.J. Birney: This is a serious point.

Mr J.C. KOBELKE: It is not a serious point. The member for Kalgoorlie is raising a red herring. The term has a clear definition that most people would be able to make sense of and which will be adequate for the purposes of this legislation.

Mr M.J. Birney: Why can't you give me an example now?

Mr J.C. KOBELKE: I gave the member many examples by way of interjection. Someone involved in local government, such as a president or shire clerk, would have that experience. It could be someone involved in a regional council of local governments, or a property developer who had worked in a range of regions for some years and had knowledge of regional development. It could be a range of people. The term does not have to be defined.

The next two weeks will be taken up with the budget. As the Government will accept amendments to the legislation, the third reading cannot occur on the same day that the consideration in detail stage is concluded. By four o'clock tomorrow all four Bills must conclude the consideration in detail stage or they will not be able to get through the Parliament. There will be no practical way to do that in terms of what most of the codes want. There are a range of important issues.

Mr M.J. Birney: Can you say that again?

Mr J.C. KOBELKE: The codes generally want this legislation to go through so that it can apply from 1 August.

Mr M.J. Birney: What are the practicalities of getting it through?

Mr J.C. KOBELKE: The practicalities are that we will go into the budget process and will then have recess weeks. The sitting weeks for the Legislative Council are different from those of the Legislative Assembly. It has fewer sitting weeks. It must also deal with the budget during certain weeks.

Mr M.J. Birney: We are not seeking to hold up the Bill.

Mr J.C. KOBELKE: No. The problem arises from all those circumstances and the limited time that we have. We have about three hours in which to debate the detail of all four Bills. If we do not get it done in that time, the legislation simply will not get through.

Mr M.J. Birney: Why have you not brought it on sooner?

Mr J.C. KOBELKE: The legislation has been brought on in the time available in terms of the Government's other priorities. The member for Kalgoorlie can argue about that. The point is that these are major pieces of

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Mr J.C. KOBELKE: The Government opposes the amendment. Each of these proposed insertions is a subset or element of management, finance, business or commerce. Therefore, the words are unnecessary. An amendment that covers the same matter is proposed to be moved by the Leader of the National Party, and when we come to that amendment we will be willing to accept it, but the Government cannot accept this amendment.

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to have placed himself in a position of prominence more than two years ago. The Turner report was not tabled at that time, so people would not have been able to position themselves for election to the new board. This amendment will give a great deal of comfort to the people I speak to. I think the Leader of the House will accept the amendment, so there is no need to speak about it for long. I thank the Leader of the House for accepting it. I believe that at least the Minister for Racing and Gaming, who is in the other place, understands that this will give comfort to a range of people and will send a clear message that the Government is seeking a clean, new board.

Mr J.C. KOBELKE: I will pass on the commendations from the members of the National Party to the Minister for Racing and Gaming. The Government understands that the amendments proposed to clause 10 are designed to reinforce the notion that the directors selected by the selection panel should, in the most part, be independent persons chosen for their business skills. As this change reinforces the intent of the selection process, the Government accepts the amendment.

Mr P.G. PENDAL: The reasons given by the National Party are probably reasons for not supporting the amendment, as distinct from supporting it. In effect, the clause will exclude the best people to be appointed. To exclude people on the ground who may have been involved in one of the codes - in this case in the previous two years - could put the responsibility on the selection panel to come up with second-rate people whose expertise may well be out of date, certainly out of date by two years. For all the reasons mentioned by the Leader of National Party, I do not believe we should support the amendment; they are reasons to oppose it. Given that the Government has accepted the amendment, no other comments will alter that situation. However, I believe that the clause will tie the hands of the Government of the day. For at least the next two years we know which Government will be in office and this Government may well have brought into the Parliament tonight a recipe to exclude the people most suitable for appointment.

Amendment put and passed.

Mr M.J. BIRNEY: I ask the minister a very quick question on clause 10(1)(b), which states that a member of staff of RWWA, not including the chief executive officer, is ineligible to become a director of RWWA. Does that mean that the CEO of RWWA can take up a board position on RWWA with full voting rights?

Mr J.C. KOBELKE: Yes.

Mr M.W. TRENORDEN: I move -

Page 10, lines 29 and 30 - To delete “, nominated or selected” and substitute “or nominated”.

This consequential amendment must be made to the amendment that has just been endorsed.

Mr J.C. KOBELKE: The amendment is consequential to the amendment made to clause 10. The Government therefore accepts the amendment.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 11: Selection panel -

Mr M.J. BIRNEY: This is an all-important clause dealing with the selection panel charged with appointing the independent members of the RWWA board. I note also that one member will be nominated by the racing code, one by the trotting code and one by the greyhound code. That is a similar amendment to one moved initially by the Opposition. However, will the minister tell us whether those people can vote for themselves? It is possible that one or more of those people nominated by the three codes to sit on the selection panel may want to become a member of RWWA. By sitting on the selection panel, will they be automatically excluded from being appointed to RWWA or can they vote for themselves? I am sure the minister would agree that there would be a conflict of interest if they could vote for themselves.

Mr J.C. KOBELKE: I understand that they are not excluded and, therefore, although it is unlikely, the potential exists for a person to vote for himself. As the member for Kalgoorlie rightly suggested, there is a potential conflict of interest.

Mr M.J. Birney: Given that the minister can see a potential conflict of interest, does he plan to amend the clause to ensure that a member of the selection panel cannot become a member of RWWA to avoid that conflict of interest?

Mr J.C. KOBELKE: That is covered in part in clause 9, which provides that the minister could take action. I am not the minister responsible, but I will ask the minister in the other place to examine that and see whether he thinks there are concerns and, if so, to consider an amendment, but on the surface, it appears there is not an issue.

Mr TRENORDEN: I move -

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Page 11, line 10 - To insert after "director" the words "selected under section 8(1)(e) and"

This is a consequential amendment.

Mr J.C. KOBELKE: This amendment is consequential to the amendment moved by the National Party to clause 10. Therefore the Government accepts it.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 12 put and passed.

Clause 13: Failure to nominate, appoint or resign office -

Mr M.W. TRENORDEN: I move -

Page 12, line 26 - To delete ", nominated or selected" and substitute "or nominated".

Page 12, line 31 - To delete "or selection".

Page 12, line 31 and page 13, line 1 - To delete ", nominate or select" and substitute "or nominate".

Page 13, line 2 - To delete ", nominated or selected" and substitute "or nominated".

Page 13, lines 3 and 4 - To delete ", nominated or selected" and substitute "or nominated"

Mr J.C. KOBELKE: These amendments are consequential to the amendments made to clause 10. Therefore the Government accepts them.

Amendments put and passed.

Clause, as amended, put and passed.

Mr J.C. KOBELKE: It is not my intention to race through the Bill. If no-one wants to speak to any clauses before clause 73 we can pass all clauses up to and including clause 72 and leave clause 73 until tomorrow morning.

Mr M.W. TRENORDEN: I was going to do something similar to that suggested by the member for Kalgoorlie. I would like to pass clauses up to clause 65 because I want to ask questions on clause 66.

Mr M.J. BIRNEY: I wish to speak to clause 17.

Mr P.G. PENDAL: I am trying to understand this shuffle with respect to tomorrow. Some members might have a number of arrangements that they have entered into tomorrow. When this Bill is called upon, I do not want to be in the position of not being in the Chamber to deal with my amendments to clause 105. Before this House adjourns for the night, I would like to have some better understanding from the minister about what time he sees us resuming debate tomorrow on at least that clause.

Mr J.C. Kobelke: It is the intention that this will be the first Bill with which we deal tomorrow.

Mr P.G. PENDAL: I feared as much. In that case, I request that we deal with clause 105 tonight, because what the minister said poses a problem for me, especially with respect to an amendment I have had on the Notice Paper since February.

Mr J.C. KOBELKE: I do not want to delay the House more than a few minutes. If the member for South Perth wishes to move his amendments to clause 105, and if I have agreement from the other members involved in the debate, I am happy to move straight to clause 105 and then, tomorrow, come back to where we are now.

Clauses 14 to 104 postponed, on motion by Mr J.C. Kobelke (Leader of the House).

Clause 105: Allocation of RWWA's funds before 1 August 2005 -

Mr P.G. PENDAL: I thank the minister for that facility. I have a series of amendments that I circulated or put on the Notice Paper as far back as February. I hope that the minister will allow a little latitude, because the burden of my amendment actually stretches over clauses 105 and 106. However, it is clear to me that the crucial test is in the first part of my amendments; that is, at page 67, lines 2 and 3, to delete "For the racing years commencing in 1 August 2003 and 1 August 2004," and to substitute certain other words.

I make no apology for the fact that these amendments represent the views of the Western Australian Trotting Association. I put it to members here that they should also represent the views of every member of the House, including government members. It is effectively a transparency clause, because the West Australian Trotting Association takes the view that the distribution formula should at all times, not just for a certain period, be

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something that comes back to the Parliament. I share that view, otherwise I would not be seeking to move the amendment. I move -

Page 67, lines 2 and 3 - To delete "For the racing years commencing in 1 August 2003 and 1 August 2004," and substitute "The".

That amendment will ensure no more and no less that Parliament becomes the ultimate arbiter of the percentage formula that is mentioned in the Bill. It will not be something, I might add, that is handled by the new racing and wagering authority. It should not take a huge argument to demonstrate why that is a desirable thing. I repeat what I said earlier: we are passing a Bill that, frankly, I do not like. It nationalises racing and trotting in Western Australia, which is bad enough. We are passing those enormous new powers that are currently enjoyed by two private racing clubs to a new racing and wagering authority. In addition, we are taking those powers out of the purview of the Parliament and giving them to a new authority to deal with the formula. Frankly, many people do not trust that process and would far prefer any alteration or discussions in the future about the formula and the percentages to come back to Parliament where it can be seen and scrutinised. The Western Australian Trotting Association holds those views and it feels very strongly about them.

We are giving powers to a statutory body that we ought not. However, given that I am in a minority on that matter, we should ensure that the distribution formula is kept under review in Parliament, not by a statutory body that will comprise nine members.

Members have spent the past several hours expressing their concerns and suspicions about the infighting and the lack of trust between the three codes. Those arguments exemplify why an amendment of the kind I am moving should pass. Parliament should keep oversight of these matters and it should alter and apply these formulae, not a new racing and gaming authority, which I repeat is already bloated with powers that I think will mean the end of the private clubs. That is another reason that it is lamentable that we are allowing a Bill such as this to pass, especially under some pressure tonight.

I move the first part of my amendment to the extent that I am able. However, I point out that my arguments in the first instance here also apply to other parts of the Bill at pages 67 and 68.

Mr J.C. KOBELKE: This amendment, together with other amendments proposed to clause 105 that stand in the name of the member for South Perth, would have the effect of preserving the current arrangements for the distribution of off-course wagering profit to the thoroughbred, harness and greyhound racing clubs by removing the provisions in the clause of the Bill that currently limit the fixed percentage distribution arrangements to the first \$50 million.

The proposed amendments would remove entirely any flexibility for Racing and Wagering Western Australia to distribute industry revenues in a manner that best serves the development of the industry as whole. This is a cornerstone to establish RWWA and to remove it would effectively hamstring RWWA to the extent that it would not achieve its objectives. The proposed amendments are in response to efforts by the Western Australian Trotting Association to retain the current fixed-percentage distribution regime, which provides no incentive for racing clubs to improve their business.

Interestingly, the harness racing industry is not united in the push to retain the current fixed percentage distribution system. In a letter dated 28 March, the Western Australian Country Trotting Association, which represents all trotting clubs outside the metropolitan area, wrote to the WATA to put its view on this issue. The letter states -

At the most recent WACTA meeting, Delegates resolved not to support the fixing of percentages for Distribution. This decision is based on absolute confidence in the RWWA to maintain and strengthen the Racing Industry in Western Australia without favouritism or bias to any particular Code.

Furthermore, the Country Racing Association has written to the Opposition to express its support for the Bill as drafted and metropolitan and provincial thoroughbred racing also supports the Bill as drafted. Therefore, the basis of the amendment is purely to satisfy the wishes of the metropolitan harness racing industry. Given that the overwhelming majority of the Western Australian racing industry supports the Bill as drafted, the Government opposes these amendments moved by the member for South Perth.

Mr M.J. BIRNEY: I did not think that I would live to see the day when I would agree with the Labor Party in preference to my learned colleague from South Perth. However, that day appears to have arrived. Although I can understand and sympathise with the sentiments of the member for South Perth, sadly the Liberal Party will not be supporting his amendment for a couple of good reasons. Perhaps I should first outline what the member for South Perth is proposing so that we are clear. He is proposing that the entire Totalisator Agency Board profit distribution be locked in by way of an Act of Parliament at the current formula; that is, about 55 per cent for

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racers, 30 per cent for trotters and about 15 per cent for greyhounds. If we were to agree to this amendment we would be completely ignoring the changing nature of racing in Western Australia. Presumably those percentages would be based on something. I imagine that in the main they would be based on the contribution from the various codes to the TAB. That contribution will vary over time and change year in, year out. If we were to hamstring the new board by saying that it could not change the distribution without coming back to Parliament, it would be a sad day for racing in Western Australia.

What would happen if at some time in the future the trots, for example, became all popular and contributed vastly larger amounts of money towards the TAB turnover than it currently is. It would become hamstrung to the point that it would only ever receive 30-odd per cent of the TAB turnover unless we could first convince every political party that counted in Western Australia that the distribution needed to be changed; that we could get the legislation before the House; and that we could get the Government and Opposition to agree. I would suggest that is a very difficult process. It would not be fluid enough to recognise the changing nature of the racing industry. I accept that it would be most unlikely that the trots or the greyhounds would suddenly become the dominant code, but what would happen if, for instance, the trots had a three or four per cent increase in its contribution to the TAB turnover? It may well make the argument that it deserved more recognition by way of TAB profits, yet before that could happen we would have to get the legislation back to Parliament, convince the Government and the Opposition, get it on the Notice Paper at the very least, get it through this House and then get it through the other place, which is a very difficult proposition. I certainly do not agree with the member for South Perth, although I can understand his sentiment.

The other premise on which the member for South Perth is basing his amendment is the fact that he believes the money to be public money, not the money of the gamblers in Western Australia. I have already said in an earlier debate that an argument could well be put to suggest that because TAB profits are not taxation, they are not public moneys and that they could be considered to be the moneys of the people who partake in that industry. If that were the case, we as representatives of the public have no business telling them how to spend their money. The best organisation that would be suitably equipped to distribute those funds would be the new board that is made up of representatives of the industry. We will therefore not be supporting the member for South Perth's amendment.

Mr M.W. TRENORDEN: I am happy to admit that the member for South Perth's amendment to the Bill has given me the most pain. I have a lot of respect for the Western Australian Trotting Association. I have met with its members regularly over the years. I can understand their passion and motivation. The amendment does not hit the mark and I will not be supporting it.

I congratulate the minister in the other place who structured this Bill. The good thing about the Bill is that the payment will not be going to codes in the future but to clubs. The Trotting Association that is Gloucester Park race track and the Turf Club that is Ascot and Belmont race tracks will merely be clubs in the process. They will receive moneys, as the Bill clearly states, on a performance basis, which is the way it should be. To tell a group of directors moving onto a new board that they control all matters to do with the industry except the engine room - that is, the money - is not acceptable. It took several meetings for me to come to that position with the Trotting Association. The National Party has adopted that position as well.

I have sympathy because the fears of the Trotting Association have resulted from many years of bitter dispute between the codes. As I said in earlier debate, I trust the process will produce nine good people who will do the right thing by the industry. The National Party does not support the amendment of the member for South Perth.

Mr P.G. PENDAL: I regret the Government's response, but I am not surprised. The best one can say about the Government is that it remains true to its philosophical base because it believes in greater government involvement in people's lives. I certainly regret the Liberal Party's rejection of the amendment. The Liberal Party and Opposition as a whole should be adamant about any legislation that extends further government controls over unnecessary areas of people's activities - in this case, their sporting activities. I can understand the consistency -

Mr M.J. Birney interjected.

Mr P.G. PENDAL: No. I am talking about parliamentary oversight and supremacy in respect of the formula. I know the Bill will pass because the Labor Party believes in maximising government control by way of a statutory authority. I have no real quarrel with that, even though I disagree with it. I disagree with the Liberal Party because it should draw a line in the sand and say that it believes in minimising such government control over private bodies - in this case, the Western Australian Turf Club and the WA Trotting Association. As I said earlier in the day, the changes amount to rape by invitation. The clubs have been prepared to make this change, for which they will rue the day. However, that is disposed of, and is not my argument now.

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I refer to the falsity the member for Kalgoorlie stated again concerning the moneys with which we are dealing. He can say all he likes about the view that this is punters' money. I refer to a Public Accounts and Expenditure Review Committee report of this Parliament released a few years ago. On page 50, in chapter 5 headed "Accountability for TAB Funds", in report No 28, this question was posed: who owns the money? The committee answered the question in this way -

The Committee's view is that the TAB is a statutory body, with the mandate of raising a substantial amount of public money and being accountable for that money to the public. As stated earlier, the issue of ownership is very significant in the issue of accountability.

The committee had no doubt about whose money it is: it is public money raised by Parliament because Parliament passed the original statute. That sets aside that argument.

Mr M.J. Birney: That's just your opinion.

Mr P.G. PENDAL: It is not just my opinion; it is the Public Accounts and Expenditure Review Committee's opinion, to which the member's party was a signatory. I have about a minute and 37 seconds to deal with the other issues involved.

The member for Kalgoorlie gave the reasons for the Liberal Party's not supporting an amendment essentially sought by the Western Australian Trotting Association. He is right - it comes down to a question of trust, and the belief on the part of the Western Australian Trotting Association that it does not trust Racing and Wagering WA and does not trust Governments. That is why it wants to see those figures - the distribution formula - remain in the purview of this House. It is a question of trust. Secondly, the words were used that this hamstring the new authority. That is exactly what it does and what it is intended to do. The amendment intends to not give the overarching power to the new racing and wagering authority. It is meant to be a "hamstringing". In the last few minutes, a member raised the point that it locks in forever the percentages that go to the three codes. The rhetorical question was asked: what happens if trotting becomes more popular in the next few years?

Mr M.J. BIRNEY: I do not agree with what the member for South Perth is saying but I agree with his right to say it. I would like to hear more.

Mr P.G. PENDAL: Voltaire would be very proud of the member!

The question was asked: what if the trots become more popular? The Western Australian Trotting Association is asking for the Parliament to remain in charge of the distribution formula knowing that it does not come first on the list; racing comes first with 55.26 per cent. Trotting comes a fairly poor second with 29.76 per cent. It is not as though the trots are out to preserve a maximum share of the market. They want to preserve the minor share - the 29 per cent - of the market. What if the percentage needs to move in five years because the trots become more popular, as suggested by a member? It does not take a parliamentary genius to work it out. A Bill is presented to the Parliament and the case is argued. It is then able to be put to the Parliament that the figures have changed, punters' habits have changed, and trotting is now entitled to get not 29.76 per cent as laid down, but a higher figure. The Western Australian Trotting Association is prepared to take its chances. That appears to be more than the other racing codes are prepared to do. The other racing codes are taking refuge in the assurance that their percentages will be locked in by a statutory authority. No member here will see the same transparency in the new racing and wagering authority that he or she will see in this Parliament. For all this Parliament's deficiencies, it is open and transparent; the Parliament cannot pass Bills without people being in the public gallery or the press gallery. That is part of the transparency. The Western Australia Trotting Association is saying it is prepared to take its chances on that. If it finds it has short-changed itself in the first instance, it will take its chances. In the final analysis, I am staggered to find that the Opposition supports the notion of a greater level of government control over the first two codes and a virtual nationalisation of the codes as a result of this legislation. The Opposition also takes the view that it does not believe that the transparency that Parliament provides is the best form of transparency for the industry. It is prepared to go along with an argument that the racing and wagering authority is the best authority to deal with this. Will the authority become a public body? Will its meetings be open? We all know how such bodies operate. The best that can be hoped for is that the chairman of Racing and Wagering Western Australia will issue a statement after a meeting stating what it has done; that it has struck a new formula - amen, kaput, no argument. The Western Australia Trotting Association is always prepared - so should be the other codes - for its arguments to come back here. The member for Kalgoorlie tried to explain it all away as though getting legislation to the Parliament is an onerous task that should never be tried out in a democracy. That is the very purpose for which the Parliament exists; namely, to review, to hold up to the light and to examine the transparency of actions being taken - in this case, by not only the industry, which will be nationalised, but also the new racing and wagering authority. It is a very serious day on which two principles have gone out the window at the one time: first, that a private enterprise-oriented Opposition should be in favour of handing over all these new powers to a single government body; and,

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Mr Tony Dean; Mr Terry Waldron; Mr Monty House

secondly, that it should, through the member for Kalgoorlie, deny the Parliament the capacity to make its judgment in one, three, five or 10 years on these matters. I repeat that the Western Australian Trotting Association has always been and is prepared for there to be transparency in this place, but it has no confidence that there will be transparency within the authority itself. That is why I ask the House to support the amendment.

Debate adjourned, on motion by Mr. J.C. Kobelke (Leader of the House).

House adjourned at 11.31 pm
