

BETTING LEGISLATION AMENDMENT BILL 2001

Second Reading

Resumed from 15 November 2001.

MR BIRNEY (Kalgoorlie) [2.59 pm]: I advise members that I will deal with this legislation in my capacity as the member representing the shadow Minister for Racing and Gaming, Hon Barry House, who is a member of the other place. This legislation deals with the Betting Control Act and the Totalisator Agency Board Betting Act and it proposes a number of changes. Possibly the most important change and the crux of this legislation is that bookmakers who, in the past, have always been a single person entity, will now be able to incorporate and form partnerships. This is the end of an era; that is, the lone bookmaker at the racecourse who stands on his box as he conducts his activities. This legislation provides the opportunity for major corporations or minor companies to become involved -

The **SPEAKER**: Order! The level of background noise in the Chamber is such that we unfortunate members at this end of the House cannot hear what members at the other end of the House are saying. I am sure the member for Kalgoorlie's contribution is valuable and I ask members to listen to it.

Mr BIRNEY: Today we are witnessing the passage of legislation that essentially changes the make-up of the bookmaking industry as we have known it to date. The Bill will allow corporations to become involved in the practice of bookmaking on a major or minor scale and will allow bookmakers to form partnerships. Previous legislation did not permit partnerships to be formed. I am told that, in the past, concerns were raised that organised crime may have crept into the bookmaking industry. As a result, the industry was restricted to just one bookmaker conducting the activities of his book. I have read the legislation and am relatively confident that it includes a significant number of safeguards to prohibit people of a dubious nature or character who have been or may be involved in organised crime from entering into the activities of the bookmaking industry. It is fair to say that, from a strictly business point of view, the bookmaking industry was discriminated against for a number of years and that psyche has developed over many years to ensure organised crime remains on the outer of the industry.

The legislation has originated from the 1998 national competition policy review, which was forwarded to the then Liberal-National Party State Cabinet and approved by it in 1999. It has now been picked up by the Labor Party and progressed into this House. The Opposition supports this legislation. We think it is long overdue and believe it will end the discrimination against the bookmaking industry in this State. Other States of Australia have similar legislation and can incorporate full partnerships to conduct the activities of a bookmaker. I share the concerns of other people who have read the legislation that a company or a partnership could avoid the things it should do as a licensed bookmaking entity relating to limited liability companies. Members are all aware of what can happen when a limited liability company becomes involved in an industry. It may rack up debts and bills that it is unable to service and, given the nature of limited liability companies, the directors could walk away and recommence business in another fashion. I am pleased that this legislation appears to have dealt with that issue.

The issue relates to the bonding of not only a company that wishes to get involved in the activities of bookmaking but also directors who wish to become directors of a company that holds a bookmaking licence. Currently in other States the minimum bond required of a country bookmaker is some \$20 000, for a metropolitan bookmaker it is around \$50 000 and for a bookmaker wishing to undertake sports betting it is some \$100 000. As I understand it, those provisions will be incorporated into this legislation.

More importantly and significantly, this legislation will deal with the issue of bonding directors. Currently in the business world some companies, when dealing with another company or organisation, require what is known as a director's guarantee from a director of the company with which they seek to do business. Those directors can choose whether to offer that director's guarantee. The difference here is that a director in a bookmaking company will be required to lodge a financial bond with the Betting Control Board that is recoverable if that company folds. The Opposition supports that course of action; however, I have some concerns that a person seeking to involve himself in that industry may think twice about becoming a director of a company that would require him to submit a substantial bond. Some people would argue that if people who seek to become directors are not prepared to submit bonds, they should not be involved in the industry. However, other industries in this State are not required to do that; therefore, that part of the legislation is unique.

The Bill provides that a partnership or a corporate entity cannot have an interest in more than one bookmaking licence at any one time. I am confused about whether that means that a particular bookmaking entity could have only one stand per State, or one stand per race meeting. I look forward to listening to the Deputy Premier's response on behalf of the Minister for Racing and Gaming. The implementation of this legislation will provide a

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number of advantages. One of the primary advantages that has been recognised by people in the bookmaking industry is that a bookmaker will be able to form a partnership with his spouse, which will bring them obvious tax advantages. That occurs in the normal course of business in many different industries across Western Australia today. Although that distinct advantage has been offered to people in other industries, it has not previously been offered to the bookmaking industry. When a corporate structure is formed with a view to undertaking bookmaking activities, by virtue of the fact that it is part of a large corporation, it has access to a wider range of capital. That capital can then be ploughed back into the business, which affords that entity a number of advantages that a single bookmaker would not receive.

One advantage is that a particular entity may be able to take on more bets. A bookmaker who reaches a level at which he is comfortable will then start laying off bets with other bookmakers in order to maintain the level of exposure that he currently holds. When bookmakers incorporate, they have access to a number of different shareholders who provide money and this gives them the opportunity to significantly expand their business. A bet back, or laying off a bet, is a common practice. One distinct disadvantage for Western Australians, as opposed to those in the eastern States, particularly Victoria, is that a bet back attracts a two per cent turnover tax. In the eastern States a bet back attracts a zero per cent turnover tax. Any legislation that reduces the amount of bet backs a bookmaker is required to place is a step in the right direction, especially given that we are paying significantly more than our counterparts in the eastern States.

An argument is being advanced to lower the odds, because certain efficiencies can be achieved by a corporate structure as opposed to a private individual. To some extent this would give our bookmakers the opportunity to give odds that are competitive with those of their counterparts in the eastern State. It would also give a particular entity the opportunity to extend more credit to clients. Many bookmakers are nervous about extending credit to particular individuals, and will not extend credit to clients until a rapport or trust has been established. That is the case in many industries. Incorporating the business, having access to a wider pool of money, and spreading the risk to a wider group of individuals allows a bookmaker to provide an extended line of credit. Ladbrokes, a senior player in the bookmaking industry, has a turnover of more than \$1 billion and half of that turnover is credit betting. Therefore, it is fair to say that credit betting is the way of the future, and more and more bookmakers are extending credit to their clients. Those bookmakers would have an opportunity to extend further credit to their clients and spread the risk a little bit further if their operations were incorporated.

This legislation also allows for a licensed manager to carry out the activities of a particular bookmaking entity. In that way the head of a particular entity would not be required to be present on the stand all day every day, as is partially the case. At the moment a bookmaker may leave his stand and appoint a licensed employee or a licensed manager for a period, provided that leave is given by the racecourse committee. The bookmaker must provide a fairly good reason for not being on his stand. He might be sick or request a leave of absence; in any case, he must have a good reason for being absent. With the passing of this legislation that requirement will be removed, and a licensed manager may be installed as the full-time bookmaker or manager of a particular stand. The passage of this legislation will allow bookmakers the opportunity to operate as a family business. Many small business operators across Western Australia have attempted to include their children or other family members in their businesses. This has not been allowed in the bookmaking industry.

The bookmaking industry in Western Australia is in turmoil. It has been in steady decline for a number of years, as it struggles to keep up with Internet betting and turnover taxes. Clubs receive all the turnover tax; therefore, it is a major source of revenue for them. If the turnover tax were reduced, the Government would have to find another avenue to replace that money. I recognise and accept that the clubs rely on that turnover tax. Having said that, it must be recognised that in the eastern States the turnover tax is only one per cent and it does not apply to bet backs.

The quantity and value of bets with bookmakers has declined over recent years. Conversely, betting with the Totalisator Agency Board has increased. In fact, the TAB turnover in Western Australia has increased by six per cent per annum over the past 10 years. It would be prudent of me to advise members that in 1999 the TAB in Western Australia turned over \$830 million. During that same year the bookmaking industry turned over \$190 million. It is evident that the bookmaking industry is certainly the poor cousin of the TAB and it must be afforded a level of support from the Government that successive previous Governments failed to provide.

Another problem is telephone betting. At the moment bookmakers are permitted to accept only telephone bets in excess of \$200. Representatives from the bookmaking industry with whom I have talked have stated that \$200 is too exclusive, and that some punters would be happy to make a telephone bet of \$20, \$50, or \$60 from their lounge rooms. The bookmaking industry believes that the minimum amount for telephone bets should be reduced; should that be the case, some country bookmakers would probably profit from the move. A Kalgoorlie bookmaker who has been in the industry for about 30 years - I know him fairly well - summed up the situation in a nutshell. He said that in the late 1970s and early 1980s he would head down to Pinjarra for a weekend race

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meeting and come back with enough money to buy a house in Boulder Rd, one of the major commercial streets in Kalgoorlie-Boulder. In those days a house cost between \$4 000 and \$5 000. However, a loaf of bread cost between 20c and 30c. That is a fairly good indication of how profitable the bookmaking industry used to be. However, he also told me that if he did not have another job these days, he could not afford to run a book. It is very difficult to earn a decent wage from the bookmaking industry in 2002.

Another provision of this Bill will remove the restriction that applies to an auditorium. For the information of members, auditoriums are available for use in the eastern States. This involves a bookmakers association or group of bookmakers fielding their books at a racecourse although no racing may be taking place on that course at the time. They can field on race meetings in other States or on other tracks. In the past they have been restricted from setting up that auditorium on a racetrack when no meeting is taking place.

Although this legislation does not specifically approve auditoriums, it removes the restriction that was in place in the past. I have some concerns about the provision of auditoriums, as I know do other people. I question how auditoriums will impact on country races. To clarify that point, if a race meeting was held in Bunbury on a day that no meeting was held at Ascot Racecourse, an auditorium of bookmakers could be set up at Ascot. That could prohibit people - either bookmakers or racegoers - from going to the race meeting in Bunbury. It is human nature to say that if a person is a real punter, he might as well drive to Ascot rather than Bunbury in order to put a bet on those races. That is a problem for country race tracks, not only in terms of the number of people who attend that race meeting, but also in the lost turnover tax that the country track would have received from bookmakers who ran books on that day. I am aware that the Western Australian Bookmakers Association has made a commitment to not run books in competition to the Northam, Bunbury, York and Pinjarra races. The association is effectively saying that if a race meeting is held in those areas, an auditorium will not be set up somewhere else. I welcome that commitment. However, that commitment does not cover the situation that may arise in five or 10 years time when a different management and set of bookmakers is involved. Will the association change its mind, and will that be to the detriment of country racecourses? That issue is not specifically covered in the legislation. The legislators have decided to leave that issue to the Western Australian Bookmakers Association. I am not sure that is strong enough.

Auditoriums may also impact on the Totalisator Agency Board. People who would normally frequent a TAB to place a bet might be coerced into spending at an auditorium the money that they would have spent at the TAB. That is a mild concern of the TAB. That is not necessarily the case in the eastern States, in which auditoriums have not proved to be particularly successful. However, when legislation is considered in this place, members must consider the future and ask what will happen in 10 or 15 years time.

The current situation is a bit ludicrous. In the past a Perth bookmaker could have packed up his stand and book and driven out to a country race meeting that he might not have any interest in. He could then have started to field his book on an eastern States race, simply because he is permitted to do so given that a race meeting is being held. That anomaly needs to be corrected. I understand this legislation will correct that anomaly. A number of meetings are washed out due to rain or inclement weather. As things currently stand, if a meeting is washed out, everyone simply goes home. Under this legislation, the bookmakers will be permitted to set up an auditorium in order to field bets on other race meetings around the State. That is probably a good thing, particularly given that the TAB has almost unrestricted trading hours, which the bookies do not.

The Bill also deals with a couple of other changes that relate to the TAB. The current legislation prohibits the TAB from accepting a bet from a person who is drunk or has been banned from that institution. Certain TAB agencies are prohibited from accepting bets over the telephone. This is now a grey area of law. Theoretically, an individual could spend a number of hours at his local watering hole and then trot off to a TAB, many of which are located next door to watering holes, and put on a fairly large bet. If that person were to lose his money, he would have some recourse against the TAB; the operator should not have accepted the bet because that person was drunk at the time. One court case has been around for some time and has not yet been concluded. I do not know all the details of that case, but I am told that it involved the writing of cheques to pay for a bet. It takes some time for cheques to be cleared. Therefore, that could be considered to be taking a bet on credit. TAB agencies are prohibited from taking bets on credit. That case is currently before the courts. I do not want to preempt the decision of the court, but it is fair to say that this legislation will tighten up that grey area of law.

The Bill will make a couple of technical changes to the Totalisator Agency Board Betting Act. In 1996, the TAB chief executive officer automatically became an ex-officio member of the TAB board. At that time, and as is currently the case, the TAB board had the power to delegate certain powers to any member of the board, who would be charged with discharging those duties on behalf of the board. A change was made after 1996 to disallow the chief executive officer of the TAB from being an automatic member of the board. I understand that this legislation will allow the TAB board to delegate some of its powers to somebody outside that board structure. I am told that the inference is that those powers would be delegated to the chief executive officer.

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The legislation will also provide retrospectivity to the placing of prohibited bets. I welcome the retrospectivity of those changes. However, that will not include litigation commenced prior to 6 February. I can only assume that that date has been arrived at with the current court case in mind, which means that this legislation will not capture that case. That case involves a person who is attempting to have his bet with the TAB quashed. I make no comment about whether the setting of that date is right or wrong, but I ask the Treasurer to indicate in his response to the House whether that date was struck because of that case.

The TAB will remain liable under the Trade Practices Act for any activities that contravene that Act. That should be the case. That provision should remain in the legislation.

It is fair to say that bookies and the TAB have been in competition for many years. I know that the TAB has some concerns, which I would like to place on the record today. Those concerns involve the extension of credit from some bookmakers to certain people. The TAB is somewhat concerned that a further extension of any lines of credit may result in a drop in its turnover. It has raised that concern with me. The TAB is also concerned that even though directors and corporate entities will be required to place a bond with the Betting Control Board, there is no parallel between the bond and the amount of credit that an entity can provide to people. The TAB has a number of concerns about the provision of credit and how that relates to the bond an entity has provided. The bookies are the poor cousins, and the \$190 000 versus \$830 000 in turnover illustrates that. I support any moves to make the bookmaking industry more equitable for those who choose to participate in it.

I have some minor concerns I would like to place on the record. The legislation provides that a bookmaking licence cannot be transferred from one entity or individual to another. However, it does not prohibit the sale of a company that may involve itself in the bookmaking industry. Therefore, if company A has a bookmaking licence, there is nothing to stop it from selling its company structure to company B. Of course, company B would then have a bookmaking licence. Whose responsibility is it to notify the Betting Control Board when shares in a company change hands or when a company changes hands?

As I said, I have concerns about country clubs and the use of auditoriums. In the short term, the WA Bookmakers Association has managed to allay those concerns. They relate more to the future operations of the industry.

One might say it is a sign of the times, but the small-time bookmakers - the old, traditional blokes who have tipped their hats on their stands for many years - will probably be squeezed out of the industry. It is a sad reality that if a major corporate entity comes onto the scene with significant financial backing and efficiencies that are not necessarily available to the small bookmakers, the competition element will come into play. As a result, the small-time bookmakers may be squeezed out of the industry. That is an unfortunate possible consequence of this legislation. It is my earnest hope that the traditional bookmakers do manage to survive and mix it with the big boys when this legislation is enacted.

I have one further concern that relates to the Betting Control Board. This legislation gives the board enormous powers and it may not be accountable to anyone but itself. The board will be able to decide whether it will bond a director of a company. Such a bond could make or break an individual or individuals who want to become involved in the industry. If the board were to bond an individual for \$100 000, that may well prohibit that individual from entering the industry. However, there is no statutory obligation on the board to bond a director. What will be the criteria for a board to require a bond from a director of a company?

The legislation provides that the board must be convinced that at least one partner in a partnership has a knowledge of bookmaking. Does that mean that that individual has to have been involved in the bookmaking industry for three months, three years or 30 years, or that he or she must be a member of a family that has been involved in the industry? The board has been given a great deal of power in the past, and I have some real concerns about this aspect of the legislation. The board has the power to determine who might be a fit and proper person to hold a bookmaking licence. That is important; someone has to keep the bad elements out of the racing industry. What constitutes a fit and proper person? If someone has lost his licence for drink-driving or been convicted of a minor assault offence, does that make him an unfit person to hold a bookmaker's licence? This legislation does not provide the board with guidelines about who might be considered a fit and proper person to hold a bookmaking licence. The racing industry has some dubious characters and it operates on rumour and innuendo. This legislation gives the board the power to determine whether a person is a fit and proper person without providing any real accountability mechanisms. I would hate personalities to be an issue in the granting of bookmaking licences.

Once again, I place on the record on behalf of the shadow Minister for Racing and Gaming, Hon Barry House, that the Opposition is pleased to support this legislation, and it will watch its implementation with a great deal of interest.

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MR MARSHALL (Dawesville) [3.35 pm]: I wholeheartedly support the changes contained in the Betting Legislation Amendment Bill, particularly because they were approved by the coalition Government in 1999. These changes were a product of the national competition policy review of the Betting Control Act 1954. The two major changes in this legislation relate to corporate licensing for bookmakers and provision for bookmakers to conduct their business from betting auditoriums.

Corporate licensing will become the lifeline for Western Australian bookmakers. It is already a component of bookmaking in Queensland, the Australian Capital Territory and the Northern Territory. It is about to be introduced in Victoria and is being considered in New South Wales. Bookmakers in Western Australia have been struggling for the past few years under the weight of increasing expenses. Betting tax in this State is two per cent compared with one per cent in the eastern States. Although it is said that two per cent is really 1.5 per cent because of the goods and services tax, bookmakers' expenses are definitely higher in Western Australia. There is no equal opportunity between the two coasts of Australia when it comes to bookmaking. The cost of a licence for a stand is also higher here than it is in the eastern States, as are wages. From the outset - going to the races, taking a position on the stand and putting on the bag - bookmaking is more costly in Western Australia.

Bookmakers are also struggling because punters perform better nowadays. The form guides are better and computer tipping is very accurate. The Foxtel playbacks are also a good tool to use when following form. The handicapping system definitely favours the good horses and the favourites. Trainers also have better and more scientific techniques and horses keep their form longer, and that means more favourites win. The depth of jockey talent in Australia is much better than it has been. If the horse and jockey are good, if they get a good draw and they are weighted well by the handicapper, it is much easier for the punters to pick a winner. Of course, in that case the bookmakers suffer. If they do not have the turnover in their bag to cover those plunges, they will lose. We must help bookmakers to survive.

I support helping bookmakers wherever possible. Like the owners, they are the lifeblood and heritage of Australian racing. Owners do not want to bet starting price; they want to get into the ring and get the best odds. They buy the yearlings for big money, pay the trainers, feed the horses and pay the veterinarians' bills. They do not want to bet electronically; they want to go into the ring to see the odds.

I say again, without the bookmakers racing would deteriorate. We must not let that happen because it is one of the major employers in Australia. Racing is big business and we must look after the bookmakers. What I have been talking about has been going on for time immemorial. In the late 1800s Banjo Paterson, who loved horses and horse racing, wrote poems about the racing industry. One was called "How The Favourite Beat Us". It concerns a racehorse owner in a pub -

"Aye," says the boozier, "I tell you it's true, sir,
I once was a punter with plenty of pelf,
But gone is my glory, I'll tell you the story
How I stiffened my horse and got stiffened myself.

That is the first of 12 verses in the poem. I will not recite the rest of it but it goes on to tell how he gets his horse ready and then goes into the bookmakers ring -

"I then tried to back her - 'What price is the Cracker?'
'Our books are all full, sir,' each bookie did swear;
My mind, then, I made up, my fortune I played up
I bet every shilling against my own mare.

The owner told his jockey to win only if he lifts up his hand. The owner has backed another horse in the field. He has his hands down but a mosquito lobs on his forehead and he waves it away. His jockey wins. He asks the jockey -

"Who paid you to win it? Come, own up this minute."

The moral is to win when you can and keep your hands down. It is a marvellous poem. I tell the House about the poem because of the emotion and fever contained in this greatest of all Australian poems. Paterson loved horses and racing and he appreciated the bookmakers. Here we are in 2002 and nothing has changed except that bookmakers are being phased out of the game through exorbitant taxes and charges and punters having better information. We must keep the bookmakers here. When people go to the races they do not go straight to the TAB, they go into the ring. That is where the excitement is; that is where the bookies change the odds dramatically through balancing their books. That is where the information is about the form and who is running

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down bookmakers in order to put money on. Maybe that person is connected with another stable. Their eyes are alert; they are anxious and quick. Bookmakers are incredible mathematicians and judges of character. They have incredible memories; they are exciting people to watch. Some people only go to the races to watch the bookmakers. If we are not careful there will be no more bookmakers. It is great to watch a plunge; to see the big money put on; to see the odds move from 20 to one to five to two. People like me, who are a bit slow, take the smaller odds but we are happy to know we are on a horse that has a chance of winning.

We have to look after the bookmakers. There has been a decline in the number of bookmakers. I remember the 1940s and 1950s when we had the leger. The leger was the training area for the inside. If one was lucky one got a licence to go into the leger. The small money was inside the leger. Some of the leger bookmakers had to wait for 15 years to get to the "inside", as they called it, where the real money was. That is where the big bets were placed. People needed money to make money. The bag had to generate income.

During the 1960s and 1970s concession betting saved the bookmakers. The people who invented it made a lot of money in their first year. They had a great volume of money go through their bag. All the other bookmakers woke up to it and they had to roster the concession bookmakers each week as it was a certain way of making money. They made their money through volume. Concession bookmaking involves taking a little under the odds, but if the horse runs second or third, one gets one's money back. Cautious people think that is fantastic. The bookmakers loved it as well because they got the money in the bag and they got turnover.

The 1980s were very good for bookmakers but things dwindled during the 1990s. Now, in 2002, the number of bookmakers is diminishing. There are only about 50 licensed bookmakers in Western Australia. The turnover has been dropping. Corporate licensing will allow Western Australian bookmakers to compete nationally and it will nullify the trading and marketing advantage that the eastern States competitors have. Electronic betting allows people in Western Australia to place bets on eastern States races. People can use eastern States bookmakers. Because things are tight in Western Australia the horse one wants to back may be at eight to one here but at 12 to one in Sydney or Melbourne. We must let our bookmakers compete and we must ensure that the industry stays strong. A corporate partnership lets a person have a partnership with his wife and split the income, which will ease the tax burden faced by bookmakers. Companies with directors can also be formed. It will enable a team of directors - money men - to lift their horizons with their gross income.

Bookmakers should not take risks. Bookmakers who lose are gambling bookmakers. Bookmakers must take only a calculated risk; a light risk. The more money one has in the bag, the more one is encouraged to do that. If one is lucky, one comes away with the big bikkies. By taking those risks the bookmakers can match their eastern States counterparts.

Changes to allow the establishment of a betting auditorium appear to be a good decision. If there happens to be a wash-out at Ascot, the bookmakers will be able to lay the odds on eastern States races. Members of the public will not be disappointed; they can still have a day out and a bit of fun. The bookmakers have assured the Totalisator Agency Board that when there is a TAB meeting, they will supply bookmakers. That has not happened before. Bookmakers will be helped through new corporate structures and an easing of their tax obligations. They are willing to give something back. That is very creditable of them. Betting auditoriums are common in other States. Some are more successful than others. The closest I have come to one was when I visited Mark Reid's betting auditorium in Darwin. It was exciting and fantastic; one can bet on anything in the world. All the prices are on tap in the computers. People underestimate how much Australians like to have a bet and how wagers are conducted nationally and internationally. We will allow Western Australian bookmakers the same opportunities as those in other States.

A betting auditorium will allow credit betting on the phone. I am disappointed that this legislation has not addressed the minimum amount of money a person can bet through a phone bet. I believe it is about \$50 in Victoria; it could be less. The minimum bet at the metropolitan races in Western Australia is \$200. Most people would not be able to afford a bet of that size. The minimum bet at regional racetracks is \$100. The Government says it listens to the people and shows no class discrimination. There is discrimination in betting because everybody I know is an ordinary person. They are people who, when in their cars and driving back to Bunbury, listen to the form on the radio and decide to have a bet. All they want to pay is \$20 for a place or \$10 each way. They will listen to the race being called all the way to Bunbury but they cannot get a bet on. I hope that the Treasurer will eventually advise the betting board to review this and make it open to everybody. There should not be a minimum bet of \$200 on metropolitan tracks or a minimum bet of \$100 in the country. I would like to see it opened up so that every Western Australian punter has the opportunity to bet.

I have spoken to bookmakers about this. Naturally, they like to hold the money and they like the big bets. However, they all agree that the bookmakers owe it to the racing industry to allow two phones, a red phone with

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a number for the big money and a blue phone with another number attended by a clerk for the small money. Very often the small punter has a win with a flutter or an uneducated bet for a bit of fun. The bookmaker would have to watch the educated person who used the red phone to spend big money. It would not hurt to install such a system. It would be another service to the industry that I would like to see introduced one day and something about which I feel passionate.

The Bill also amends the Totalisator Agency Board Betting Act, in essence to prevent any opportunistic claims against the TAB. A person may be barred from the racing industry, for example, and may attend a regional TAB where the staff do not know that he has been barred. He may go unnoticed as a banned punter and lose his money; he is likely to collect his winnings and keep the tickets for the bets he lost. He could then sue the TAB for accepting his bets when he was not supposed to be betting so that he could get his lost money back. This legislation eliminates all those discrepancies and any kind of illegal TAB betting. I support that. These changes will enhance the racing industry; therefore, I naturally support the Bill.

MR TRENORDEN (Avon - Leader of the National Party) [3.51 pm]: This is a tiny little step in the racing industry but one that the National Party supports. It is interesting to note that for the first time in 100-odd years of racing's history, licences to become a bookmaker are freely available. In your spare time, Mr Acting Speaker (Mr McRae), you may wish to apply for a licence! Only a short time ago the competition to obtain a licence to be a bookmaker was enormous. There is a message in that statistic alone.

As I say, this is a very small step. I am not interested in the process that brought us to this stage. I am interested only in taking the step. The National Party supports the Bill.

The argument about individual bookmakers needing to be licensed alongside corporate or any other recognised entities is simplistic. That opportunity should be available to bookmakers. We must appreciate the history of betting. The circumstances that existed many years ago when the regulations that control bookmakers were drawn up were very different from the circumstances of today. The legislation will reflect reality.

It is interesting that bookmakers will be permitted to operate only during race meetings. Rural clubs are concerned that it will discourage bookmakers from attending provincial and rural meetings. However, unfortunately, they have not been attending those meetings anyway. The further into the country areas, the smaller the number of bookmakers who attend until they eventually disappear altogether. If you attended the dog races in Cannington, Mr Speaker, which I am sure you do not -

As to Quorum

Mr JOHNSON: I am very distressed that not one government minister or backbencher is in this House on this very important issue.

[Quorum formed.]

Debate Resumed

Mr TRENORDEN: I was enjoying the lack of interjections, but perhaps we can liven up the debate somewhat. As I was pointing out, there would be only one or two bookmakers at the premiere dog race meeting in Cannington and at the trots -

Mr Ripper: The National Party has been going to the dogs!

Mr TRENORDEN: Members opposite have been saying that for some time. We like to feed the dogs Pal from time to time, but I will not tell members what the Pal is made of.

Trotting meetings are also under pressure to have bookmakers attend. The situation boils down to economics. If bookmakers could make money at those places they would attend. There is concern about "ghost" meetings, which is a meeting at which there are no horses, but where the bookmakers take bets on activity elsewhere. People who have been to Hong Kong and Singapore will have found that to be a regular event. Thousands of people turn up to racecourses where there are no horses, place their bets via computer screens and watch the races on large viewing screens. That is not the main issue. Bookmakers will not attract me to racecourses such as Ascot or Belmont to place bets at non-existent race meetings. Some people may be interested in that, but I do not think it will be viable. If people want to try it, that is fine by me.

Mr Bradshaw: Some clubs may want to hold a ghost meeting on Melbourne Cup day.

Mr TRENORDEN: Two of my cousins want to do just that and I support them in that attempt. However, I told them not to be disappointed if people did not turn up. If the Harvey Trotting Club wants to have a ghost meeting, it has my support, but it should not be disappointed if no-one turns up. That is why I am not opposed to it. Let us change the law and let those things occur.

Extract from Hansard

[ASSEMBLY - Thursday, 21 February 2002]

p7855c-7867a

Mr Matt Birney; Mr Arthur Marshall; Mr Max Trenorden; Mr Rob Johnson; Mr John Bradshaw; Mr Rod Sweetman; Mr Jeremy Edwards; Mr Eric Ripper

There is a chance that it could cause a small loss of revenue to country clubs. Bookmakers may not support some of those country clubs as they have in the past. Bookmakers have said to me that they will attend provincial courses. That is fine. I am happy about that commitment from the bookmakers, although there is no guarantee. However, it may mean that, in Northam for example, rather than four or five bookmakers attending, only two or three turn up. That may reduce the turnover of the club. Unfortunately - people hate me saying this - the racing industry is a dying industry. We must look at the causes of its demise and do what we can to inject more life into the system because it is a substantial employer. People may argue about its place as an employer on the ladder and whether it is the third or fourth largest employer in Western Australia. It does not matter whether its rating is tenth or eleventh; it is a substantial employer. In the Avon Valley it supports an enormous crop industry with the supply of hay, oats and chaff. Members who have been here for a while will have heard me speak passionately on this issue.

I am looking forward to the review of the industry that I understand is now in the hands of the Minister for Racing and Gaming. I support the minister in his endeavour, as I supported the previous minister. Unfortunately, whether people in the industry like it or not, these codes are due for change. I hope desperately that those in the industry take up the challenge to introduce the change themselves and that we in this House do not deliver a package for them that sets out the way the industry will operate.

The truth is that nearly every other State and institution in Australasia has moved away from the principal club arrangement. It is outrageous, for example, that the chairperson of the Western Australian Turf Club can own a horse that is running around a track and can also govern the stakes and collect the cheque for the winning horse. That vested interest should not be permitted. Members in this House stand condemned, because we have allowed that to occur for the past 20 years. The principal club system must go. I am happy for the industry to come up with its own system, within certain parameters, to allow for the setting up of an industry body that would make decisions on behalf of the industry. The WA Turf Club would look after Ascot and Belmont; the Western Australian Trotting Association would look after Gloucester Park; and the Western Australian Greyhound Racing Authority would look after Cannington. In other words, they would run their own clubs. Some type of industry body would be controlled by the industry, hopefully - not by the Government - and it would take the governance of the industry away from those principal clubs.

A number of important issues arise. For example, how can the control of the stewards by the WA Turf Club be justified? We all know about the Rocket Racer argument. It is a pretty ordinary situation when a steward has to look at a horse that has just won the Perth Cup and is lying on the ground distressed and has to make a decision about swabbing that horse when the president of the club is the owner of the horse and has control over the steward. If that is not a vested interest, I do not know what is.

Mr Ripper: What is your solution?

Mr TRENORDEN: As I said, to separate them. I hope that we will not make the decisions for the industry. The industry can see what has happened in New Zealand, New South Wales, Queensland and Victoria.

Mr Ripper: Who would you have as the controlling authority for the stewards?

Mr TRENORDEN: I would put the Office of Racing and Gaming in control of the stewards - the person from the office is ducking under the chair at the back of the Chamber at the moment. Because of the role of the stewards, I would keep that control in government hands. We want to be able to say to people that the stewards in the racing industry are under the control of a real regulator. Even though there might be some discomfort for the person behind me who represents that office, that is where I would put the stewards. I hope that the running of the industry will be similar to the New Zealand arrangement, under which one body looks after three codes. Even though the horseracing, trotting and greyhound people love to argue with each other, the truth is that they are in the same industry; and the sooner they recognise that, the better.

I return to the Bill. This is a small step, which I support. Like all steps, it is not without reflection of the problem. However, this step must be taken. The House will do that, because I have listened to the opposition speakers, and they support the Bill. I look forward to hearing what the Minister for Racing and Gaming will do with the report that I understand he has in his hands. I would love to talk to him about it, and he knows that. It is important that the industry come up with a solution. However, perhaps we need to exert some pressure. We should offer the industry a carrot. We should tell the industry that if it does the right thing, reforms the industry and makes it one that has the correct type of governance, it will be put on the same taxing regime as the Burswood Casino. Members will know that there is a substantial difference between the rate at which the racing industry is taxed and the rate at which the casino is taxed.

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MR BRADSHAW (Murray-Wellington) [4.04 pm]: I also support this important Bill . At last, bookmakers in Western Australia are being brought into the twenty-first century. I have been going to the trots and races for over 30 years, particularly since I moved to Harvey, which has a trotting club in close proximity to the town. In the old days, it used to be exciting to go to the Harvey trots. There were great promotions to attract people there. There was a lot of activity, and the horseracing was pretty exciting. Because the original Harvey trotting track was so tight and small, there would generally be a fall in one, if not several, of the races, and also it was much more difficult for a horse that was coming from behind to get in front. Fortunately, the Harvey Trotting Club decided to move up the road to a larger track, at which the trotting is much safer and fairer because the track is bigger and the horses can pass each other. .

Those used to be pretty exciting days. From my recollection, at least six bookmakers would be at each one of those meetings - there were probably more. Gradually the bookmakers have been disappearing, as has the number of people attending the meetings. I guess there is a range of reasons for the decline in the racing and trotting industry in the past 15 to 20 years. However, I believe the drink-driving laws have been one of the major contributors to that, because they have changed the attitudes of people. Whereas in the past people were happy to go to the meetings and join their friends at the bar, if one goes to the bar at the trots or the races these days, it is pretty dead. The meetings do not seem to generate the same atmosphere that they did previously.

It is sad that the racing and trotting industry has been continually asking Governments to reduce the betting turnover tax so that it can increase its returns. Certainly, a pre-election promise of Labor was that it would reduce the tax by half a per cent initially, and that has been done. That is generating a reasonable amount of money. I cannot remember what the figure is, but that half a per cent reduction will probably generate about \$2 million, which will go back to the racing codes.

The racing, trotting and greyhound industry is huge. The turnover of the racing industry in Australia, for example, is around \$8 billion a year. That is a substantial amount. In Western Australia, 3 000 licensed people are on the records of the Western Australian Turf Club. The WA Trotting Association has 2 540 licensed owner-breeders and 782 trainer-drivers. The Western Australian Greyhound Racing Authority has 1 204 owners, and 91 trainers and staff. Not just those people are in the industry. There are also strappers, veterinarians and feed people. A whole range of people benefit from the turnover of the industry, and the flow-on is enormous. It is also interesting that, per capita, Australia leads the world in ownership of thoroughbred racehorses. Australia also has more race clubs and racecourses than any other country . Moreover, Australia's 454 race clubs have over 150 000 members.

It is a major industry, and we must make sure that the different codes continue to succeed and grow. The different codes have been trying to work out ways to improve their turnover and get people back onto the courses. It has been difficult. They have tried all sorts of things. In the main, they have not worked. They keep saying that they will attract more people to the industry if the stakes are improved. I am not sure that that is the case. It may have an effect on people who wish to own horses. However, in general, people own horses because they have an interest in them. The average person who owns a horse rarely wins a race with that horse. The majority do not win a race. Only a small percentage of people make any money out of racing in any of the codes.

The local bookmakers are not happy about the amount of turnover tax they are required to pay. That turnover tax, as has been pointed out, goes to the various racing codes. In Western Australia the turnover tax is two per cent, in Victoria it is one per cent, in South Australia it is 0.9 per cent and in Queensland it is 0.33 per cent. I believe the Western Australian Trotting Association rebates some of that amount to the bookmakers, so in that case it is not so bad. The problem with Gloucester Park, if what I have read in the Press can be believed, is that the number of fielding bookmakers has been reduced from three to one, which is a disgrace. According to the news item, the other two bookmakers said they were getting out because they believed that race fixing was going on. I am surprised that the Government has not had a harder look at this serious allegation. The punters will also not be too pleased if they believe that certain horses have been chosen to win and only a few people "in the know" are aware of it. I am surprised the Government has not taken this matter more seriously and launched an investigation. All I have read is that the chief steward at Gloucester Park has said that no corruption or race fixing is going on. That is all well and good, but he does not want to denigrate the industry and make it look bad. That steward, as the Leader of the National Party pointed out, is employed by the trotting association.

Telephone betting is also a problem for bookmakers in Western Australia. It was improved a couple of years ago when the limit was reduced to \$100 for a country bet and \$200 for a city bet. The information I have received from the president of the Western Australian Bookmakers Association , Kieran Glynn, is that more bookmakers would be fielding at venues such as Harvey and Pinjarra if that limit were reduced. In Victoria, the limit is \$50, and in the near future that limit will be removed entirely. I cannot see any reason that bookmakers should have a limit imposed in this way. The only reason I can think of is that it is an attempt to protect the

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Totalisator Agency Board. It would be a shame if the Government were trying to protect a government enterprise by imposing a limit on phone betting. A good thing for bookmakers is that they are able to incorporate or enter into partnerships. This means that some of them will be able to become bigger and more competitive. There is now more competition with interstate phone and Internet betting. Unfortunately, as we have seen over the past 20 to 30 years, it is a case of get big or get out in every area, not just the racing industry.

I agree with the Leader of the National Party's comments about the principal club system. For some years, I was of the mistaken belief that the Western Australian Trotting Association and the Western Australian Turf Club were the principal clubs that looked after the interests of all the smaller clubs in Western Australia. I have found, however, that they are very self-centred and worry only about Gloucester Park, Belmont and Ascot. To a large extent they find the clubs out in the country a bit of a nuisance, because they have to throw them a few dollars to keep them happy. I do not think the distribution of funds from the TAB is necessarily fair. It should be controlled by an independent body. I would not like to have a government agency run this fund. It should be run by the industry, but by people who do not necessarily have a connection to the WATA or the WATC so that the distribution of funds will be fairer and the clubs in the country are looked after better. I have two trotting clubs and a racing club in my electorate, and it is very rare to see anyone from those principal clubs attend and take an interest in local meetings. On occasions, the WATA committee has been invited to Harvey, but only very few ever turn up. The principal clubs are more interested in making the city courses a success than in fostering country racing. If the country clubs are running well, there will be a flow-on effect, because everyone will try to get their horses into the better races and the higher stake money. The principal clubs have been misguided or short-sighted in not fostering the country clubs better than they have been.

With those comments, I support the legislation. It is good legislation in the direction it takes, and it will bring this area a bit more up to date.

MR SWEETMAN (Ningaloo) [4.17 pm]: I commend the Government for bringing this legislation before the House. It is a great start if it is the beginning of a more comprehensive look at racing and gaming generally, particularly the gallops, the trots and greyhound racing, and all forms of betting. Many of the issues have already been covered, and I do not wish to go over that ground again. However, it is important to emphasise the role that bookmakers play in Australian society. Australia is unique in the world in having bookmakers in isolated areas and at small race meetings, such as the Landor races, which are allocated two bookmakers. Bookmakers nominate to take a position at a meeting and are advised well in advance that they will field at a particular meeting. It is the same at Onslow, Geraldton, Port Hedland and Broome. The Bookmakers Association has taken a very community-minded look at the way bookmakers have conducted themselves over a long period of time, and despite the fact that the TAB, the Internet and phone betting accounts have made inroads into their profit margins, they have continued to provide the service.

I have many friends who are bookmakers, and I have known many bookmakers in the past. They are fairly coy about what they make and what they lose. All the bookmakers I have known in country Western Australia have had other jobs and been very successful at those jobs. That is what has allowed them to apply for bookmakers' licences, because they have the financial resources to cover substantial losses. I heard the member for Dawesville talk about the different types of bookmakers. Having had a lot to do with country racing for nearly 30 years, I have encountered many different personalities and styles in the way bookmakers field on race days. Very conservative bookmakers will keep the shortest two horses extremely short, in an effort not to even lay a bet on them, and will then extend the odds on the slightly rougher horses, in an attempt to set the book, and will hold \$100, \$500 or \$1 000.

That means he has the first and second favourite running for him. It is an ultraconservative approach to racing and at the end of the day, his turnover will be significantly less than any of the other fielders on the racecourse. Another type of bookmaker takes a clinical approach to the race. He sets his book and does not want to be overly exposed on any particular horse. He might have a large holding on every race and have a huge turnover at the end of the day, but he has simply played the margins and has not set himself up to lose a large amount of money on any one horse. I am certain that they are the most successful bookmakers. Another type of bookmaker is the gambler who thinks he will pick the winner more often than the punters. There will be one or two horses in the race that he refuses to field; it might be the favourite or the second favourite. One has to understand how much research and information those bookmakers avail themselves of prior to the races; they are very clinical. Although they work full time jobs elsewhere, they spend many hours a night combing the Internet to research horses and to study their past 20 starts. They try to get all the information they can. They use contacts with other bookmakers in other areas and various towns. They have spies who watch the track work and training, sometimes for a modest fee if they are successful on the day. Some bookmakers like to chance their arm. Sometimes they have huge wins but other times they come unstuck and incur huge losses.

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Although bookmakers are not everything to the races, they are an integral part of it. All forms of racing, but especially country races, would be poorer without the bookies. Many clubs would fold if the bookies were forced out of existence. To some extent this legislation offers some comfort to bookies who have toiled for many years on small returns. I am sure that many bookies have provided their service as a type of community service obligation to some of the more remote areas. It is not a cheap exercise for a bookmaker to go to Marble Bar and Gascoyne Junction. Even to go from Carnarvon to Geraldton would not cost the bookmaker less than \$1 200 or \$1 500. He must either take a clerk or employ a clerk at Geraldton to help him on the day. By the time he pays his turnover tax and his costs for accommodation and fuel to get there, he must make some money on the day to cover his expenses and break even. This legislation is great because it gives our bookies some comfort and security.

I am not too concerned about the ability of companies or syndicates to be able to buy bookmakers' licences. If that does not work out over time, we can amend the legislation. I recognise that the Government has taken time to put this legislation together. I hope this is the start of a more comprehensive review of the importance of racing to Western Australians generally and the importance of country racing to country Western Australia in particular.

I intend to take up the issue of race callers with the Minister for Racing and Gaming later. I said earlier that Australia is unique because it has had bookmakers for so long who have fielded in so many locations. Australia is also unique in the way its races are called. Our race callers have quick minds and even quicker mouths. It has been said that a picture paints a thousand words. Replying to that Barry Humphries said, "Yes, but a word can paint a thousand pictures if you find the right word." That sums up race callers. People who listen to Racing Radio or Calcutta events during the Melbourne Cup know that a good race caller sets the scene; he makes the night and makes it a great event for people.

I am anxious that as a consequence of this legislation the TAB might not renew its contract with some race callers. I am led to believe that the contracts of race callers such as Stewart Lowe, Craig Evans and Darren McCauley, who are contracted by the Totalisator Agency Board, to provide services at a variety of tracks that the TAB fields, would not be renewed. That would be an absolute calamity. My understanding is that the TAB will make each club responsible for providing its own race caller at each event. That may have been brought about because if it is to suffer a diminished turnover and profits, it will try to make cost savings. It is easy for me to say that that is penny wise and pound foolish because the punter, who enjoys listening to the race caller, likes to have the race called for him professionally. If his horse is in second last position during the running, he wants to hear about his horse regardless of whether it makes a place. If we are to settle for inferior race calling, the TAB will suffer further reductions in its turnover. The Government must consider this issue.

It would be easy for the Government to congratulate itself on passing this legislation, and that is all well and good. The legislation is good and proper and we support its passage. However, we add a note of caution that this legislation should not be the catalyst for the TAB to decide that the Government is pampering the bookmakers and making life easier for them and therefore the TAB will make inroads into its overheads. The obvious place for it to do that is to reduce its expenses on race callers. I caution the minister to examine that aspect more closely.

I will refer to the bookmaker situation at Gloucester Park. I was there on the night about which the bookies complain. They thought there were too many "boat races" on the night. In racing terms that is a colloquialism for fixed races. However, I do not think that was the case. On the night some trainers were very confident that their horses were extremely fit and they backed them substantially. That is the only reason that horses were backed from 6-1 then 6-4 down to 7-4 and the like. That happened to about four of the races that night, which was interesting. The horses were backed from reasonably long odds to short odds, and every one of them ran accordingly.

I am concerned that in the metropolitan area, the headquarters of the WA Trotting Association, on that night every other race bar the feature race and the supporting races on the program were raced for the same stake money that is raced for at Carnarvon. A metropolitan trainer would do that job full time, whereas almost all of the trainers at Carnarvon have other jobs and they simply train as a hobby. The 10 per cent winning stake the trainer gets in the metropolitan area is nickels and dimes. I cannot see where the rewards are for the trainers in the metropolitan area. I put myself in their shoes. If I had a horse that I thought was going well, I would nurture it so that on the night, when I was confident it would win, I could put money on it and get more than the return from the 10 per cent winning dividend from the purse. When one bets, one does not want the tote odds; one wants fixed odds.

I looked at the tote of two of those four particular races to which I have referred. The winning horses were also backed on the tote, but I do not think people connected to the stables backed them. The punters in the crowd

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thought there were better odds on the tote and they joined the queue to place their bets. That allows the trainers and the connections with the horse to get reasonable returns on their investments and to try to recoup some of the cost of their training fees and everything else that is an essential part of owning racehorses or trotters. They want fixed odds betting so that if they bet on a horse at 6-1 and the odds shorten to 6-4, it does not matter. If their horse won the race, they would collect the winnings at 6-1, which is printed on the face value of the ticket.

It gives me much satisfaction to support the Betting Legislation Amendment Bill. My only note of caution to the minister is that we must ensure this does not have ramifications for any other sections of the racing industry. Sections of the industry are interdependent on others. Legislation cannot be tidied up or concessions offered on one area if it were to impact on another. With that caution, I support the legislation and hope the Government has more legislation to follow relating to the racing industry.

MR EDWARDS (Greenough) [4.30 pm]: I will add a small contribution to this debate. I support the Bill. I was interested in the comments of the member for Ningaloo. Perhaps I could take some lessons out of his book about how to shorten and lengthen odds, because I never managed to win too much at the races. Betting is very much an Australian way of life. As a nation, we have a tradition of betting on not only horses, trotters or greyhounds but also, it has been said, flies on walls or anything else that affords an opportunity. Betting is very much an integral part of our lives.

Racing of all kinds, particularly horse racing, is an enormous industry in this country. I go to the races and thoroughly enjoy watching the racing and placing a bet. I can recall some of the characters I have seen there. I will mention both the Totalisator Agency Board and bookmakers. I will not go over the same ground that everybody else has covered, but I will make some general comment. I can recall as a child when I was about six or seven years old, being brought up in that other country in the northern hemisphere, going to a race track. A fellow was standing at the bottom of the stands, leaping about with a pair of white gloves on. He was shoving his hands up in the air, darting about, tapping his head and doing all sorts of things. I remember asking my father something to the effect, "What is that silly fool doing over there, dad? He looks quite mad." I was told he was a tick-tack man. Racing has tick-tack men, spruikers, bookies, bagmen and all sorts of characters. If we are not very careful and if we do not keep our eye on the ball, we may lose those characters. That comment may not be entirely appropriate to this Bill, but I say that in passing. Those characters are part of the racing world.

I believe that some areas of the legislation need to be focused on. I am aware that turnover tax is a bone of contention, and it has been mentioned before. Minimum betting should be encouraged. More flexibility will result from corporations. If we can keep in front of us the need for flexibility, perhaps the industry will continue to grow and bookmakers will have some hope for a future. As the member for Ningaloo rightly said, most bookmakers, certainly in country Western Australia, do this work as a hobby or for enjoyment and not as a full-time job. Those people are to be found at country tracks like those at Marble Bar and Gascoyne Junction. They are characters and are part of the racing industry, whether it be horses, pacing or dogs. The member for Murray-Wellington indicated that it is important that country racing is kept in mind. It is very easy to see the big money being spent in the metropolitan area, but country racing is part of the character of racing.

As I have said, I will be brief, because I am aware that the Treasurer is waiting to speak. To some degree, the history of the TAB reflects the success of racing in Western Australia. Until this afternoon I was not aware of how the TAB came into being. A royal commission into gambling set up in 1959 recommended that an off-course totalisator scheme be set up, and this took place in the 1960s. The TAB was established to replace the 206 licensed off-course betting shops that had been operating legally in Western Australia since 1956. Similar boards were formed in other Australian States. By today's standards, operating methods in the early days were primitive. The TAB was a nightmare of pieces of paper. Of course, it has moved a long way since then. Experiments began in 1962 with a National Cash Register selling machine. By the next year all agencies were using this mechanised system. Feasibility studies confirmed computer technology as the way to go in the future and also to enable the TAB to achieve the dual goals of high standard service and financial expansion. The first computers were introduced in 1965. Two years later the first agencies were brought on-line for message transmission to a central computer. Steady expansion created a need for the TAB to move from rented first-floor premises in Hay Street to its own building. A new two-storey headquarters was completed in Murray Street in 1964 and extended five years later. Throughout the 1960s a host of legislative and operational changes were proposed and implemented - always with the aim of efficiency, flexibility and improved service.

Telephone betting was first introduced in 1961. Today the TAB retains a very progressive and far-sighted approach, as reflected in its spectacular growth in the past 37 years. In its first annual report, it recorded a turnover of just \$1 million, a figure that is more than quadrupled on any Saturday. In the 1997-98 financial year, the TAB achieved a cumulative turnover figure of more than \$9.7 billion, and all that from the Western Australian Turf Club and the Western Australian Trotting Association, which had a starting capital of \$10 000. It has come a long way. It now provides some 270 agencies throughout the State from Wyndham to Esperance

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and from Laverton to Rottneest Island. Sharing in this growth is the accounts sales centre which now services over 11 500 phone-a-bet customers.

As somebody has said already, thousands and thousands of Western Australians will bet at any opportunity if the odds are right. Their money is being used. As long as the TAB continues to be responsible to the industry and a percentage of the betting money goes back into the industry, Western Australia will have a very healthy racing industry across the board. I support the Bill.

MR RIPPER (Belmont - Treasurer) [4.38 pm]: I thank members of the Opposition for their support of the legislation and for their interesting and constructive comments on racing industry issues. A number of questions were raised. I have sought advice from officers from the Department of Racing, Gaming and Liquor to enable me to answer those questions. One question that was raised was that of auditorium betting and whether it would cause people to stay away from country race meetings. The main purpose for the provision of auditorium betting is to overcome problems caused by race meetings being abandoned due to inclement weather. Without approval by the Betting Control Board and the racecourse controlling authority, for example, the Western Australian Turf Club, auditorium betting cannot be established. Experience in other jurisdictions has been that auditorium betting has not been very popular. It appears that race meetings without horses lack the colour that people expect. I do not think there will be a significant problem with auditorium betting.

Questions were raised about the levels of bonds to be required and whether they would take into account credit betting. My understanding is that the bonds that will be required for bookmaking operations are linked to turnover and that that covers both cash and credit betting. The company must provide a bond. The directors may be required by a Betting Control Board decision to provide a bond, and the size of the bond in either case will relate to total turnover including credit betting. I have perhaps dealt with the question of whether the bond would be compulsory for directors. The bond for directors is decided at the discretion of the Betting Control Board.

Questions were also raised about whether a bookmaker could operate in more than one location. In certain circumstances, one licence can allow the operation of up to three stands. That is the current situation and it will continue. Agents of the bookmaker operate the additional stands, but the bookmaker remains responsible for the actions of the agents.

A comment was made that the legislation does not deal with telephone betting. The issue of telephone betting limits for bets with bookmakers still needs to be addressed. I understand that there are no minimum limits on telephone betting with the Totalisator Agency Board. A competition policy review proposed that there should be no minimum limits for telephone betting with bookmakers. The previous Government did not proceed with implementing the outcome of that review. The present Government is considering the issue. I understand that the TAB and the Western Australian Trotting Association oppose that change. My colleague the Minister for Racing and Gaming is considering the issue. The minister will further consider and make a decision on that matter when this Bill goes to the upper House.

I was asked what limits apply in other States. Victoria commenced a phased reduction of \$50 a year to minimum limits on 1 July 2001. The minimum is currently \$150 in the metropolitan area and \$50 in the non-metropolitan area. There has been no evidence to date of any negative impact on TAB wagering. In Tasmania, there is no intention to amend the minimum, which is set at \$100. The minimum provisions were removed in Queensland on 1 July 2000, with limits now determined by controlling bodies. The limits are currently \$150 in the metropolitan area and \$50 in the non-metropolitan area. Limits were abolished in the Australian Capital Territory in June 2001. The limits were also abolished in the Northern Territory.

A number of questions were raised about probity matters. The Betting Control Board determines those matters, which is responsible to the Minister for Racing and Gaming, who in turn is responsible to the Parliament. Since 1954 the board has judged who is a fit and proper person to become a bookmaker or a bookmaker's employee. My advisers are not aware of any problems with the Betting Control Board's exercise of its responsibilities and do not foresee that any problems will arise in the future. Under this legislation, changes in company arrangements, including shareholdings, must be reported to the board. A company that purchases existing structures must still undergo a probity examination to obtain a licence. The Government does not propose to allow the corporate model in bookmaking to undermine probity requirements.

The other answer I need to give relates to that part of the legislation that deals with legal claims against the TAB. I was asked whether the date for the operation of that clause related to the sole existing legal claim and whether the operation of the legislation would defeat that claim. The legislation has been constructed to chop off future claims or claims from the date in the legislation, but not to overturn the legal rights of the person who has a claim afoot. The legal rights of the existing claimant will be preserved. The courts will settle that matter. Future claims will be ruled out from the date specified in the legislation.

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The member for Murray-Wellington said that certain bookmakers have stated that they will not operate at the trots because of concerns about race fixing. The Minister for Racing and Gaming has raised that matter with the chief trotting steward and has received assurances from him that he does not believe there is a problem with race fixing.

Mr Bradshaw: The Governor General asked one of his priests whether he was interfering with anyone and the priest said no.

Mr RIPPER: I am not sure that it is orderly for this place to reflect on the representative of the sovereign. It is possible for people to be mistaken in these sorts of assurances. The Minister for Racing and Gaming has made the appropriate inquiries and has been given assurances. If people want to take that matter further, they need to provide some evidence or other material to the Office of Racing, Gaming and Liquor. I believe my colleague has acted appropriately in seeking assurances following the publicity of that issue. If the member for Murray-Wellington has any evidence of race fixing, I urge him to make it available to the minister. He responded to the article in the newspaper and raised the matter in Parliament. That is an appropriate thing to do and I have given him an answer.

I do not think anything more needs to be added at this late stage. I thank Opposition members for their support of and comments on the legislation. I would be delighted to pursue any further matters during the consideration in detail stage.

Question put and passed.

Bill read a second time.