

TAB — PRIVATISATION

718. Dr A.D. BUTI to the Treasurer:

I refer to the historic reform package for Western Australian racing, which will provide long-term support for the industry.

- (1) Can the Treasurer advise the house how the sale of the TAB will secure the future financial viability of the industry?
- (2) Can he outline the process the government has taken to reach the decision to sell the TAB, including the extensive consultation undertaken with the industry?

Mr B.S. WYATT replied:

I thank the member for Armadale for that question. I am keen to answer that.

- (1)–(2) All members know that this issue has bedevilled the public debate for five years, I suspect—since 2013 or 2014. It has been an issue of some complexity because of technological change in the sector and the rise of foreign-owned online bookmakers—often registered in Gibraltar—that license their way through the Northern Territory and make profits in various jurisdictions but pay no tax, which is why all states are now moving down the path of a point-of-consumption tax. I want to highlight a couple of points. One is the consultation phase. I want to more broadly acknowledge the sector and the various groups involved in what has been a period of very good consultation. That was something we committed to. There were two phases to the consultation. The first phase was direct consultation with industry, particularly through the Racing and Wagering Western Australia board, and meetings with the thoroughbred, harness and greyhound racing code subcommittees, which indicated in writing that they were very happy with the process as it had been transparent and constructive. The second phase saw the release of a discussion paper that was open to public comment. During this phase, 12 public stakeholder industry forums were held, with three in the regions, and 107 submissions in response to the public discussion paper were received. If they are not now, those 107 submissions will be online today, so all people can look at the feedback we received, which highlights overwhelmingly that there is support now for the sale of the TAB.

An important issue is financial viability. I have already made the point about having those who make profits in Western Australia pay tax, which a point-of-consumption tax will do. It is clear, and I think all members acknowledge this, that customer preferences are shifting away from TAB strengths and larger players, which currently do not pay tax in Western Australia, are now dominating the market.

I think industry will find three components of the reforms very favourable. The first is the creation of an infrastructure fund, which will be funded by 35 per cent of the net proceeds of the sale of the TAB, which highlights that it will be in everybody's interest to maximise the sale price. The second is the provision of more secure ongoing funding. We had a lot of debate and discussion with the sector about this issue and what that would look like. In the end, the revenue-sharing component of the point-of-consumption tax revenue will be 30 per cent, which is the most generous in the nation. That will do more than equalise and keep the sector no worse off; it will be a financial benefit to the sector. It is more generous than Victoria and New South Wales, which have revenue-sharing arrangements. I think we have seen problems in the states that have not chosen to go down the path of a revenue-sharing arrangement. The third is a simpler and fairer system. Having those international corporate bookmakers, which are very large organisations with very large balance sheets but which do not pay tax in Western Australia, now pay tax will effectively fund our local industry. I think it is a good package. A few moving parts will require a couple of pieces of legislation, but I think it will set the industry up for the future with fiscal sustainability and the capacity to compete with other competitors in this space.

I want to acknowledge the member for Belmont in particular, who has been very good in this space as it is a keen part of her electorate. It is likewise with the member for Forrestfield and Hon Samantha Rowe. It is not generally done, but I also acknowledge the conversations I have had with the member for South Perth. He is a man who knows a lot about the sector. Although his advice to me on whom I should put money on has been found wanting, I have enjoyed those conversations and they were a good part of me formulating my thoughts around this.