

RACING AND WAGERING LEGISLATION AMENDMENT BILL 2009
RACING BETS LEVY BILL 2009
BOOKMAKERS BETTING LEVY AMENDMENT BILL 2009

Cognate Debate

Leave granted for the Racing and Wagering Legislation Amendment Bill 2009, the Racing Bets Levy Bill 2009 and the Bookmakers Betting Levy Amendment Bill 2009 to be considered cognately, and for the Racing and Wagering Legislation Amendment Bill 2009 to be the principal bill.

Second Reading — Cognate Debate

Resumed from 23 September.

MR M.P. MURRAY (Collie-Preston) [11.23 am]: I rise to support the bills without reservation. The racing industry is probably one of the biggest industries in the state. It is a major drawcard for tourists from all over the state and internationally. Last year, when we had some funding, the international race between Apache Cat and Takeover Target was one of the greatest days Ascot had seen for many years. Along the way, we have had the problem of a leakage of money from the state because we have not been able to charge for our betting products, including racecourses. I am glad that the minister has now brought in legislation to make sure that that slippage does not happen; around \$18 million left the state and not a lot came back in. We will now be able to regain a much-needed \$15 million for the racing industry.

The industry is possibly one of the best-run industries in the world. The stake money in Western Australia is much higher than in many other countries, including England. The stake money for a midweek race in England is about \$8 000 and in Western Australia it is anything up to \$20 000. When we make such comparisons, we realise that we must look after our racing industry and do our job to make sure that it is protected to some degree. Some people sit off to the side and benefit from our product by taking advantage of a nonexistent or very small fee structure.

The bill is well structured, but I do have a small concern. I have spoken to many people in the industry about where the money goes in the first instance and how it is passed on. It is a small issue, but we have to be careful—probably more so in the racing game—about personalities. If one group does not talk to another group, how will the money be distributed? That has been my concern from day one, and I have spoken to the minister about it. I am anxious that the money not be held up and that it be put on the ground to make sure that the industry survives and is able to maintain its very high standard. That is one of the small concerns I have; even though the situation has been explained to me, I can still see an area in which personalities could interfere and stifle some of the flow of money along the line. I understand that there are legal reasons for this being framed in such a way, but I ask the minister to ensure that it is done correctly.

Racing and Wagering Western Australia has done a very good job. I was pleased to see that the minister had formed a committee to review the workings of Racing and Wagering Western Australia over the past four to six years and to ensure improvements at every opportunity. I congratulate the minister on that. There are some learned people from the racing industry on the committee, and the member for South Perth, as chair, should be able to use his expertise to ensure that we keep moving forward.

Those are all positives, but on the other side is the issue of consistency in Racing and Wagering Western Australia's funding strategy. Racing and Wagering Western Australia has released a statement outlining its views on the way forward and what it would like to see happen. We do not want another group saying, "No, no; from now on, we'll move elsewhere." The Labor Party had a very good plan for the upgrade of racetracks in country areas, and \$21 million was earmarked for that. It is disappointing that race clubs now have to line up against the boy scouts and everyone else around the place to make applications for royalties for regions funding for this very vital industry. It employs, at various times, up to 2 000 to 3 000 people—a huge number of people. Downstream there are the feed providers, the breeders and all the other people on the edge of the industry, and we need to make sure that our lines are consistent and that we are heading in the right direction all together, rather than going off on a tangent. Once that starts to happen, the industry will fragment and break up. I ask that the way forward be consistent with Racing and Wagering Western Australia's current funding strategy.

I turn now to a couple of other issues. During 2008-09, fixed-odds betting generated a turnover of \$82 million. That is a huge and growing amount. I have some concerns about the returns. When I go for a bet, I see one board with a slightly different price from another, which means that I could lose 10c a dollar—10 per cent. I have certainly made my concerns public previously. Unfortunately, I do not get many wagers back, but that is one of the ways of the world. We have to hear the confidence of punters to be able to keep growing our industry. To have negative comments, such as not getting the same price as can be had from online bookmakers or Tabcorp

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over east, is a little disconcerting. I know that the costs and overheads are different, but we now have a chance to level that out a bit more by charging these product fees. We should be able to smooth some of that out along the way to make sure that our punters do not go offshore.

It is interesting to note that in the past six to eight months betting agencies have been advertising on television that they will match the best odds in Australia. That will make it a little harder for our system at the moment because large punters—not small punters as much—will take advantage of that. People who have \$5 000 or \$10 000 and a lot of time available will look at that and question why they should drop 10 per cent of their money if they are not able to get the same price. That will result in a drift away from the system. Money will go out of the system to the east coast or offshore. We have to address that quickly. The way to address it is to make sure that people get the same returns when they bet locally. Most people do not want to jump onto the internet unless they really have to. A lot of them do not like sending their money away or operating a forward account. Credit betting is also a bit dangerous.

The generation of direct funding of \$2 million to grassroots sporting organisations at a play-off is tremendous. I note in the bill some reference to foot running and other events. I would like some explanation, when the minister is on his feet, of what that actually entails. It may be the start of professional foot running again, such as the Stawell Gift or something like that. If that is what it is intended for, I would like to hear an explanation of what it is about.

As I said about fixed-odds betting, the turnover of oncourse bookmakers in 2007-08 was \$100 million. Again I am quoting these figures that have been given to me because I believe that we need to understand the enormity of the industry. Along with that, there is telephone betting at \$20 million and internet betting at \$12 million. That is a total of \$132 million in betting turnover. Of course, the state is quite happy about that because it takes its little bit off the side. While there is that sort of turnover, our industry will remain in quite safe hands if the money is distributed in an equitable and fair way and if we do not allow, under this bill, things to get bottlenecked or returns to the industry to be distributed slowly.

Another thing that is important to me when money is being distributed is an awareness of the grassroots system. I know that the member for Kalgoorlie and others have spoken about this, especially about support for the grassroots industry at Albany, because the grassroots is where jobs are created, where the industry was born out of and where dreams come from. Dreams are what I think they are: there is a long way to go to get a winner on a racetrack. However, if we do not support the grassroots industry, the same will happen as I have seen with football where for a long time support never went back into the grassroots and then there was a drop-off in the production of players. I foresee the same thing happening, and probably more so, in the pacing industry, which has many small trainers and people such as farriers, vets and so on who earn their living from working around the grassroots in country areas. In areas along the highway now there are major studs, and going further south there are smaller owner-trainers, hobby trainers, friends of trainers and others. All of them have an interest in racing, they all go to the trots and they all probably have a few bob each on some race, which contributes to the turnover that goes back into the industry. I beg the minister to look after these people and not to fall into the trap of going along with the major push to consider the Hong Kong model, which occurred at one stage in the racing industry in Western Australia. That model of half a dozen or a dozen trainers, which we would call professional trainers, would ruin much of Australia's culture and history. We have the Melbourne Cup coming up soon and everyone who has anything to do with horses has a dream about winning a Melbourne Cup race. We do not want to take that away by having a commercially structured system where a battler cannot get his horse up. It was great to see Joe Janiak, who bought a horse for a couple of thousand dollars and got a return of millions, wear a top hat at Royal Ascot in England. We do not want to take away that dream. Let us keep working on that line. Let us retain the money in our state as much as possible. If we do, I am sure that the industry will go forward.

I am a little concerned, though, about a promise that was made about a Perth festival. I recall that the Premier at the time guaranteed \$7 million to have a major racing festival at the gallops in Perth over the Christmas period. The Liberal Party then followed with its promises but the festival did not eventuate. Now it has become the Minister for Tourism's baby, and she has said, "I know nothing about it." That is a disappointment, to say the least. I think that somewhere along the line, given the returns that come back to the state government, we should be able to consider having a major racing festival in Perth encompassing the three codes. I think we have to work on that.

One of the disappointing aspects of this matter—although it may be considered a side issue—which is also under the hat of racing and gaming, relates to the cancellation of racing at Gloucester Park on New Year's Eve. Something like 30 000-odd people usually turn up there. I wonder where they are going to go. I do not know what they are going to do. I am sure this issue will bubble up somewhere. People will not stay home. Young people may go out to an uncontrolled area or somewhere such as Scarborough Beach—I am not criticising that area. This issue will pop up because the restrictions and possible fines that were put on Gloucester Park have

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made it financially unviable to run the New Year's Eve program for those 30 000 people. I have probably been going there on New Year's Eve for close on 20 years. Yes, there have been one or two disturbances, but I can tell members that it is a lot safer than Northbridge! It is a lot safer than some of the other areas where people gather to celebrate New Year's Eve, because there is security, it is in a confined area and there is a system for alcohol control. Although someone will always beat the system, people under 18 years of age have had to wear a wristband. I have a granddaughter at that lovely age of 16 years and she had a band put on her wrist, which she reckoned was against her civil liberties. She played up like hell, but her grandad did the right thing. I had to put my phone number on the wristband so that if she were caught in trouble, the phone would ring and I would have to go and collect her. Some people were able to get around that system, but I found it very difficult. People with a different coloured wristband could buy alcohol without any restriction because it meant they were over the age of 18 years. Those sorts of measures have been implemented, yet we saw licensees fined in the vicinity of \$50 000 to \$70 000 for a breach of the Liquor Act. They have done their best, but what do we do? We put people out on the streets where there is no restriction on alcohol consumption and no security. We are going to have a problem if we do that. I again ask the minister to have a really close look at this issue. I have spoken about the number of people needed as security guards, especially in outer areas, but I can tell members that in Gloucester Park there was more security than I think was necessary at times. The police presence was a bit overpowering. When we walked out of the gate, there were probably 30 police officers and horses at the gate. Even my wife said that it was a bit of an overkill. Then we found out that if someone is caught short and goes behind a tree and is caught, that person can be fined. I got the words wrong yesterday, so I want to make sure I get it right. That is going to happen. That is something that we do not want to happen, but it is going to happen. However, it is not a major incident that causes a riot or causes police to be injured. I once saw a pushing and shoving match between two 18 or 20-year-old kids at a betting ring, but the security people got there straightaway. When we are looking at these issues, we need to sort out some of these problems, because, again, it is about turnover. How much turnover is the state missing out on? It is not only about Gloucester Park. It is about the state as well. Therefore, we need to work through these issues.

The other issue, to get back to country racing, is security guards. The country racing clubs should be judged on their history. If a country racing club has had no problems for many years, that should be to its credit. The Yalgoo Jockey Club complained to me when I went out there that it is required to have 10 security officers on site, at a cost of \$40 an hour each. That will nearly finish off that club. There are only five volunteers there who work the whole system. They do it for the locals and for the tourists from Geraldton who go out there in their droves in their campervans. If we keep that requirement going, that club will fail, and so too will a part of our Western Australian history, because those races have been going for years and years. I think the other club that complained was Meekatharra. There is the same problem there. We should at least give these clubs some credit for having run the races well for the past 20 years. If the racing clubs fail to measure up, we can then implement these things. At this stage, these are real picnic country meetings, and they should remain so. From time to time, sure, there will be some major problems. But I can tell members that, in most cases, any problems are fixed by the locals very quickly. We need to make sure that things keep bubbling along in this industry. I can tell members that at Yalgoo, there were not many horses that would ever be going to town to win a Melbourne Cup. Even the member for Kalgoorlie would have found that the horses were very slow.

All in all, I certainly support the bill. It has probably taken a bit too long to get into this place, but it is a step in the right direction. I will listen intently to see how the minister intends to address the issue of funding and how he will ensure that the money comes back to the industry quickly and is not siphoned off by some interest group.

MR D.A. TEMPLEMAN (Mandurah) [11.42 am]: I am very pleased to make a very small contribution to the Racing and Wagering Legislation Amendment Bill 2009. I always like listening to the member for Collie-Preston's insights into the racing industry in Western Australia.

Some members might not be aware, but, when I was younger, I actually had aspirations to become a jockey.

Mr J.E. McGrath: You've got the right voice for it!

Mr D.A. TEMPLEMAN: I met the height restriction. The only problem is that —

Mr R.H. Cook: What about your basketball career? Your basketball career was no good!

Mr D.A. TEMPLEMAN: No. I had no chance of being a basketballer!

I certainly has an interest in the racing industry. I was born and bred in Northam. Northam Race Club is a very strong club. I think that club has been in existence for nearly 100 years. Both Northam Race Club and Northam Trotting Club have a long history of racing and pacing in Western Australia. In my first job, when I was a 16 or 17-year-old, I worked at *The Sunday Times*, and I used to report the placings of the trotters at Northam Race

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Club. My love of horseracing then grew into an aspiration to become a jockey. However, after being introduced to a very large horse, I decided that I was too scared of horses and should find a different line of occupation!

Mr M.P. Whitely interjected.

Mr D.A. TEMPLEMAN: Yes. I could go on about my boxing career, too. The member for Bassendean reminds me of my possible boxing career. I also had aspirations of becoming a boxer. Some members may not be aware, but my father was a Golden Gloves winner back in 1962. I had aspirations of following in my father's footsteps, but he took me to the Northam Police and Citizens Youth Club one night as a 10-year-old, and he laced me up in a couple of gloves, and as I pranced around, sort of mimicking Jerry Lewis in the famous movie that he was in, the young fellow whom I was boxing against hooked me beautifully in the jaw, and I fell flat down to the ground! I always remember looking up at my dad with a dazed look as he buried his head in his hands, and that was the end of my possible career as a boxer!

I then had the wonderful aspiration of becoming a bookie, because I was very inspired by those blokes who used to carry around huge cases that I always thought were full of cash. I suppose they are still full of cash, but probably not as much cash as some of those bookies used to carry around. In fact, the mum of a good mate of mine at Northam High School used to work at Northam Race Club. She would pick us up on race day and take us out to the club for the last five or six races. Back then at school, we used to have what is called silent reading. I think the schools still have it. On race day, we used to day read the race book for silent reading and pick out who we were going to put our bets on! I digress with that short history of my aspirations and abject failures.

The points that the member for Collie-Preston has made are very important. We should not underestimate the wonderful history of racing and pacing in some of our magnificent Western Australian towns and regions. Some towns that now either do not exist or have experienced a rapid reduction in population used to be very vibrant places. They used to have race clubs. There used to be a race club in Narrogin near my family's farm. I remember my grandfather showing that to me once. Many of the towns in Western Australia, particularly as they were developing, used to have small race clubs. Racing was a very important part of the social and cultural calendar of those communities. We should relish that wonderful cultural history, no matter whether it is in the goldfields region or in the Pilbara. I remember some of the dusty racetracks that we used to have in Western Australia. I think, member for Kalgoorlie, that Kookynie might have had a racetrack at some stage. Is it Kookynie? The member for Kalgoorlie would know that better than I would. There are some wonderful places in Western Australia that have a rich history of racing. Over the past few years, many of these racing clubs have closed, and many of these clubs have faced closure and have had to rapidly change the way in which they do things and the number of race meets that they have every year et cetera. When I was teaching at Three Springs, the Mingenew races was a great day out for everyone in that mid-west area, Everyone would flock to the Mingenew races. We even had two-up afterwards, which I thought was pretty good too.

Mr J.E. McGrath: They still do!

Mr D.A. TEMPLEMAN: That is right. We should relish the culture and the history of racing in Western Australia. It has been an integral part of the culture of many, many Western Australian towns and regions. I am sure that the intention of this legislation is to ensure that we do whatever we can to strengthen the viability and sustainability of racing in Western Australia. These proposed changes are therefore supported, as the member for Collie-Preston said.

I am very interested in what this legislation means for clubs such as the Pinjarra Race Club, the Pinjarra Trotting Club, the Larkhill complex north of my electorate, and the Mandurah dog track, of course, which has been through a great revamp. I visited the Mandurah dog track two weeks ago; it does not get as big a crowd on site as it used to, and I understand that is due to the televising of races et cetera, but these places are still very important.

I also support the member for Collie-Preston's comments about the tradition of the New Year's Eve Gloucester Park event, as it has come to be. Many 40-plus-year-old people remember going there in their early 20s to what has been—I have attended a couple of times—a well-organised celebration of the turning of the year. The member for Collie-Preston made a very valid point: if we do not have those sorts of big events that are relatively inexpensive taking place, what else can we do to provide that opportunity? The member for Collie-Preston is not in his seat at the moment; he is probably betting on race 4 at Eyre, or somewhere around the place.

I am very keen to hear the minister's response about how these changes will enhance and continue the ongoing sustainability of large and small clubs throughout the state, and how he recognises their importance. The equine industry is a very important part of life in the community in the Peel region, and a lot of small and large-scale trainers call the Peel region home, and the new Perth-Bunbury highway gets them to and from races a bit quicker than has been the case previously. Racing is an important part of our economy, and a number of people from the Peel region are employed, either directly or indirectly, in the racing industry. Therefore, anything that ensures the vibrancy and sustainability of that industry is important to me, and it is certainly important to the people of

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my electorate. I am very interested to hear those comments from the minister. I will not talk about another issue, but I know my good friend the member for Maylands is very keen to talk about a particular issue that she is excited about, as is the member for Albany—well, the member for Albany could talk about anything, but we will find out what he has to say! On that note, I thank the house for allowing me the opportunity to make a small contribution to this debate.

MR J.E. McGRATH (South Perth) [11.53 am]: I will not speak at length, because I know the Minister for Racing and Gaming is very keen to get the Racing and Wagering Legislation Amendment Bill 2009 and associated legislation through quickly. It has been encouraging that members opposite have been speaking about the racing industry, because since I became a member of this place I have been disappointed that the racing industry does not seem to have much attention paid to it. I remember taking a former Leader of the Liberal Party to the Ascot races one day, and he admitted that he had never been to Ascot in his life—ever; I could not believe it.

Mr P.B. Watson: Was he a priest?

Mr J.E. McGRATH: No, he was not! People either understand and like racing or they do not, and I think that is a great shame because the racing industry is part of Australian history and part of our folklore. In a couple of weeks the Melbourne Cup will be run on the first Tuesday in November—“the race that stops a nation”—and I think it is great that people who are interested in racing and those who are not usually interested in racing take an interest in that race. I think that the role of the horse has played an important part throughout our nation’s history, and that, coupled with our Irish heritage, I guess, has led to our becoming such a very strong racing nation.

I will speak briefly about this legislation that, I am sure, will be agreed to by both sides of the house. It has been brought about by a situation that has provided the greatest challenge the racing industry has faced since the days of the old starting price bookmakers in the post-war years. A lot of bets were placed with SP bookmakers but the money did not go back into the industry, and racing was on its knees in those days. The late J.P. Stratton, a former president of the Western Australian Trotting Association, came up with the idea that we should have the Totalisator Agency Board—an off-course tote—and that the revenue from that off-course tote should be channelled back into the industry. I think that was the start of racing becoming an important sport in this state especially, but also throughout Australia.

In recent times the world has changed. We have moved from a situation whereby if people wanted to bet on the races, the trots or the greyhounds, they had to go either to the course and bet on the tote or with a bookmaker, or to a TAB. With the advent of the internet and the globalisation of the racing and gambling industry, racing has been confronted with challenges from other betting avenues. A couple of years ago we had the Betfair situation, whereby the government of the day decided to try to stop Betfair from setting up business in Western Australia. I was the opposition spokesperson for racing at the time, and we supported the legislation because the racing industry was very concerned about its revenue stream. The then opposition had some reservations because it did not think that the legislation would be enforceable. History has shown that to be correct, and Betfair won its case in the High Court. As a result, though, throughout Australia the states and territories realised that they needed to get together and all of the TABs had to come to some sort of an arrangement whereby they shared product fees, enabling the state and territories that had strong meetings to get good revenue out of those meetings. I refer to meetings such as Victoria’s Spring Racing Carnival, which will make a lot of money out of product fees. Western Australia will have to pay product fees to Victoria, as we do with all other states and territories, but this legislation will allow Western Australia to claim product fees from all the other states and territories that bet on our product.

If we do not pass this legislation, it will cost the Western Australian racing industry in the vicinity of \$18 million a year in product fees paid to other states so that Western Australians can bet on race meetings in Victoria, New South Wales, Queensland, South Australia, the Australian Capital Territory, the Northern Territory or Tasmania. This legislation will allow Western Australia to get its return. I believe the shortfall will be between \$3 million and \$5 million, which I find a bit surprising. I thought it might have been more than that, considering the huge racing carnivals that are held in Victoria and New South Wales every year, but as was pointed out to me in the briefing provided by the minister, the population of Victoria and New South Wales is such that a lot more people are betting there. Only a small percentage of people in the big states of Australia need to be betting on our product to return a reasonable amount of money to Western Australia. That is a good thing. However, the industry will still be between \$3 million and \$5 million out of pocket, and this provides an enormous challenge to the body with the responsibility of controlling the racing industry in Western Australia—Racing and Wagering WA.

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As announced in the house a couple of weeks ago, a joint committee of this Parliament has been formed to review the Racing and Wagering Western Australia Act 2003, and I am very happy to be part of that process. It will be very interesting to look at how the RWWA and the act are working. Most people in Western Australia believe that we have set the pace in Australia in moving to this model of governance in racing. The RWWA model is in many ways the envy of other states, but I will be interested to see how the model is performing and what challenges lie ahead.

A couple of days ago, while the member for Mandurah probably still had his head on the pillow, dreaming away in his hotel room, I got up early and went down to the Bunbury racecourse to watch a bit of track work. I was very interested to see some of the things that are happening at Bunbury.

Mr M. McGowan interjected.

Mr J.E. McGRATH: He is my very good friend.

I was very interested to see what is happening at Bunbury in response to the challenges that the club here is facing. Bunbury is the second biggest centre for racing outside the metropolitan area. There are some 65 trainers and about 600 horses. It is an important regional centre. Rogan Josh, the Melbourne Cup winner, started his racing and training career in this area. Heron Bridge, a great sprinter that went to the eastern states and won the Newmarket Handicap, is trained by a postman, Noel Donovan, in Bunbury.

Mr M.J. Cowper: Machine Gun Tom.

Mr J.E. McGRATH: The member for Murray-Wellington is giving me a hand here with a bit of his racing knowledge. Another great horse, Placid Ark, had his first start in a race at Bunbury, and was beaten by a local horse—Jungle Dawn or Jungle Mist—but went on to win the triple crown in the eastern states.

Bunbury is a very vibrant racing area, but it faces huge challenges. The club is struggling to get the funding to make the improvements needed at the course. For instance, I was told by one of the trainers that 180 horses have to work on the sand track in the winter months because the grass tracks are too wet to gallop on safely. The club is looking at putting in a synthetic all-weather track. I think synthetic tracks are the future of racing, especially in view of the water shortages that we hear about so often, as a result of climate change. Members opposite remind us that it does not rain as much as it used to. The Bunbury club finds that it is using a lot of water to maintain its tracks, so it is looking at an all-weather synthetic track that will not require any watering. Horses can train on it every day of the week, and it might even be possible to use it for a race meeting. It will be designed in such a way that it will be big enough, wide enough and well enough cambered to hold race meetings on, so that in the winter months, when the Bunbury course is normally closed, it might be possible to hold race meetings at Bunbury. That would be a terrific boost for the industry because, as the minister will attest, if there is no product for the people in the TAB agencies or watching Sky Channel around Australia, there is no revenue for the industry. The racing industry relies upon revenue from gambling; that is a fact of life. These are some of the challenges facing clubs throughout the regions in Western Australia. Without the revenue that will be provided to the racing industry as a result of the legislation now before the house, those clubs will struggle to meet requirements for better infrastructure.

I totally support what the minister is doing. I am very enthused by knowing that so many members are now getting behind the racing industry. I hope the minister gets plenty of support in cabinet when he raises the needs of the racing industry. A lot of people forget that racing is an industry that comes at no cost to the government. It generates its own revenue. At times, all the industry asks is to be able to keep a little more of the revenue it generates. Unlike hospitals and schools and other things that governments have to pour many millions of dollars into, the racing industry generates its own revenue. I support the legislation, and I hope it passes quickly today. I look forward to the minister's explanation of the mechanics of how this legislation will be put into effect.

It is also important that this legislation will bring the bookmakers in the Northern Territory and those operating offshore into line. They will all have to pay a fee to bet on Western Australian racing, which is very important. It is something for which we have been asking for a long time, because while those bookmakers have been able to operate in a very low tax environment in the Northern Territory, where they are licensed, they have been able to compete with an unfair advantage over bookmakers in Western Australia and the TAB. Now they will at least have to pay a product fee. Under this legislation, in agreeing to pay that product fee they will also agree to provide details of all their transactions, so the stewards will have a trail showing where the money has been bet. This will really help with the governance of racing. It is a step in the right direction, but there is still much to be done to establish how the industry will manage the rise of corporate bookmakers and internet betting. I support what the minister is doing.

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MR P.B. WATSON (Albany) [12.06 pm]: I fully support the Racing and Wagering Legislation Amendment Bill 2009. I hope that some of the money coming back into Racing and Wagering Western Australia goes into country race clubs. I am sure that the member for Kalgoorlie will be looking at this from the same angle. People do not seem to realise the amount of money that people in regional areas put into racing clubs. I am sure the member for Kalgoorlie will agree about the number of people who put money into TABs in Kalgoorlie, Albany, Geraldton and Bunbury. RWWA has tended to look after the city-centric part of racing and trotting. We have continually seen Gloucester Park not running at a profit, and having money put into it, yet the first place where costs are cut is in regional areas. I know that the Albany Harness Club has had some of its meetings dropped. As soon as there is a problem, RWWA looks to the country and takes money away.

Racing and trotting in my community, and right throughout the south west and the great southern, employs a huge number of people, including jockeys, trainers, farriers and transport contractors. These people are forgotten when decisions are made in Perth about what will happen in regional areas. In Albany we have some of the top trainers in the state, including Steve Wolfe, Paul Hunter, Peter Weston and Dixie Solly. They win races not only in Albany but all over Western Australia. They win races in the city, and Steve Wolfe has had horses run in Melbourne. If we take away the grassroots support for clubs, eventually the big city clubs will also suffer. I know that Steve Wolfe has four or five horses running each weekend in Perth, and maybe Paul Hunter and Peter Weston have one or two each. These are just some of the trainers who go to Perth regularly. If we lose this support in regional areas, the base of the pyramid will simply fall away.

It is great that we will get that extra \$18 million. I fully support the bill but, as I have said, we must look after regional racing. I do not know whether that can be done through having legislation to require RWWA to put aside resources in the future to look after regional areas. I do not know whether that is possible, but I am sure that when the inquiry into RWWA commences, it will be looking at all those issues. All I can say is that country clubs keep Perth racing and trotting going, and I fully support any way in which they can get extra money. I just hope that it goes to the right areas.

MR J.J.M. BOWLER (Kalgoorlie) [12.09 pm]: I support the Racing and Wagering Legislation Amendment Bill 2009. I have been a punter, a racehorse owner, a bookie's clerk, a bookmaker and also the Minister for Racing and Gaming. In fact, I was the Minister for Racing and Gaming when Western Australia took action in the High Court to stop Betfair operating in Australia. The year before that I was in a marquee at the Melbourne Cup, along with the member for Albany, the member for Collie-Preston and a couple of former members of this house, and we had the privilege of seeing Makybe Diva win her historic third Melbourne Cup. I also saw on that day James Packer meet the then Premier of Tasmania. In the following weeks it became evident why he met the Premier of Tasmania. I think it was a black day for Australian racing, and led to the introduction of Betfair. This legislation will help Western Australia overcome its disadvantage from Betfair's involvement. I say that Betfair is a disadvantage to Western Australia because it does not return anything to the racing industry. Members have all spoken today about how well the Western Australian racing industry in general is going, and that is a fact, but Betfair puts nothing back into that industry. Once this legislation is passed, it will overcome that situation.

The other area with which I have raised concern is the way that Betfair operates. The fact that punters can bet on a horse to lose will lead to corruption. It has led to corruption in England. I believe that one day it will happen in Australia. However, under this legislation, not only will there be product fees from Betfair, but also agencies like Betfair that bet on Western Australian races will have to cooperate with the Western Australian racing stewards, and that in some way will help make our racing industry as fair and transparent as it has been.

I will not speak for much longer. Like the member for South Perth and the member for Albany, I have the privilege of serving on the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts. Like the member for Collie-Preston, I have serious concerns about the racing industry. I think the biggest threat facing the racing industry in Western Australia is not the racing legislation, but the Liquor Control Act and the way it is being administered, particularly at events such as the Port Hedland Cup, the Kalgoorlie Cup and Gloucester Park's New Year's Eve event. Events such as these have got out of hand and, as a member of this house, I intend to do something about it.

MR M.J. COWPER (Murray-Wellington — Parliamentary Secretary) [12.12 pm]: It would be remiss of me not to speak on the Racing and Wagering Legislation Amendment Bill 2009 given that the Murray-Wellington electorate is renowned for its equine industry. I was once told that, setting aside Alcoa, the equine industry produces as much income for the people of my electorate as any other industry. There are a number of renowned studs throughout the electorate, including the world-famous Heytesbury stud and Coral Park, which belongs to Glen Money, who has a very famous horse, Beau Sovereign, which the member for South Perth forgot to mention. A street in North Dandalup is named after that horse. Further south, in Harvey, there is the Remlap stud, which is owned by the Palmer family; Evergreen Lodge, which was Vince Yovich's place, but he is no

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longer with us unfortunately and I am not sure who owns it now; Mickey Campbell's Bellbridge Park, which is the home of Machine Gun Tom, a Perth Cup winner—that is another horse that the member for South Perth forgot to mention; and so the story goes on.

I am the patron of the Pinjarra Trotting Club, which arguably has the best track in Western Australia. Any of the top trainers will tell people that the Pinjarra track is arguably the best track in Western Australia. It has a 1 000-metre track that has been redeveloped in recent times. The downside of that facility is the offcourse facilities. For those who do not know, the building has been demolished in recent weeks. The building was transferred to Pinjarra from Gloucester Park in the 1960s and then added to when Richmond Raceway in Fremantle was demolished in the late 1970s or early 1980s. Pinjarra had virtually second-hand facilities from day one. One of the problems at Pinjarra is that it has been unable to attract sponsors to provide the necessary purses to attract good fields. I am very pleased to say that Racing and Wagering Western Australia has stumped up some capital to rebuild what I hope is only the first stage of the redevelopment of Pinjarra Park. Given its proximity to the new freeway, which means that it is only about 45 minutes from the Perth metropolitan area and only about 50 minutes from Bunbury, I believe it has the potential to become the premier trotting facility in Western Australia. That is not to say that I am not a very big fan of Gloucester Park. However, the problem with Gloucester Park is that it has restrictions on the nature of the circuit. It is well known that once a horse gets to the front at Gloucester Park, it is pretty hard for other horses to overtake it on that circuit. The prospect of adding to the length of that track is restricted by the high value of land in the area.

I also need to speak about the Harvey Trotting Club. It is a very good locally run and serviced club. The member for Collie-Preston and I have had the pleasure of going to the club on a number of occasions and seeing the great work that is being done at that location. I am also aware that there is a problem with the Harvey club that probably needs to be addressed. It does not have a broadband connection or the fibre-optic link that allows it to hook up to the Australian network to go online. For those who do not know, Pinjarra Park operates on Mondays and the Harvey track operates on Tuesday or Wednesday nights. There is lighting at that racetrack. It is a great night out and I encourage people to go there.

I believe that students and teachers from Harvey Primary School might be in the audience today. The principal of that school is Mr Colin Brand, and hopefully the students from Harvey Primary School who are here today learn about Parliament.

Just across the border in the member for Mandurah's electorate there is the very good greyhound facility on Gordon Road. Large numbers of people who are members of the chasing fraternity live in the Murray-Wellington electorate, primarily in and around Nambeelup. Subdivisions have been developed in that area over a number of years to allow people to train and house greyhounds to accommodate the racing in Mandurah. All in all, minister, I do not believe the facilities in the Murray-Wellington electorate have been getting their cut of the pie. For instance, the Pinjarra Trotting Club operates on Monday nights. No other club wanted to operate on Monday nights, but Pinjarra Trotting Club took it on and has made it a very big success. The revenue turnover at that facility is not commensurate with the amount of money that it generates on Monday nights. Given that not a lot of racing occurs in Australia on Mondays, Pinjarra Trotting Club gets a lot of interest from right across Australia and generates a lot of money for RWWA.

Pinjarra Park reopened the racing track for this summer. It is an all-weather track. It has a seven-furlong straight. I believe there is a 1 000 or 1 100-metre front straight at Pinjarra Park.

Mr J.E. McGrath: It is 1 200 metres.

Mr M.J. COWPER: It is 1 200 metres. For those who are not familiar with racing, trotting is arguably the fairest type of racing. Pinjarra Park has a 1 000-metre straight. The horses are lined up in a dead-straight line and when they jump, they compete on a fairly even basis, as opposed to running on a circuit. The offcourse facilities at Pinjarra have been upgraded in recent times; however, they are showing their age. I believe it also has the potential to fulfil a requirement when Belmont Park Racecourse, which is a winter track, undergoes redevelopment. Of course, summer racing has returned to Ascot Racecourse in the metropolitan area, but, as we well know, there are plans to redevelop Belmont and it may be possible that the overflow from that development could be taken up by an all-weather track, now well established, at Pinjarra, which is not far from the Perth metropolitan area.

I support the legislation because it will, hopefully, return money to the industry, but I ask the minister to ensure that the distribution of those funds goes equally to the racing, pacing and chasing sectors, including those in my electorate, but also in those electorates right across Western Australia, from Broome in the north, to Kalgoorlie in the east and to Albany in the south. I trust that the minister will ensure that occurs.

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Cowper; Ms Lisa Baker; Dr Janet Woollard

MS L.L. BAKER (Maylands) [12.20 pm]: I rise to speak on these racing bills and, in particular, to recognise that Labor has struck a balance in supporting an extremely powerful industry in Australia and an integral part of our culture. It is an \$8 billion a year industry in Australia. It is the third largest employer in Australia, depending on whose figures one reads. The balance that Labor has struck is supporting this industry and its development and knowing that it is based on gambling. There is a very inherent contradiction in those two factors for me personally, and I am sure that it has been a consideration for the Australian Labor Party over the years as well. I must also support the policy that Betfair should not be allowed into this state. I recognise the fact that the work done on that policy was extremely good. Betfair is not a part of the industry that we need or should support in Western Australia.

Horses are not dumb animals, firstly, because they do not bet on people. They are the backbone of this industry. Although I have heard members name some famous racehorses, not one has pointed out that none of the money that is coming back into the industry is being directed to the welfare of horses. Without horses people would look pretty silly trying to run racing. The Australian racing thoroughbred horse industry has some very good guidelines set around the welfare of the horse. I do not have time to go through them at the moment, but they make a considerable effort to look after these creatures that so willingly give people their trust. Some of this money must go towards the welfare of the horse. We simply cannot talk about money going into foot racing and other types of sport while we totally ignore the fact that without the horse, and its correct treatment and welfare, we will not have the billions of dollars that this industry generates. Look, for example, at what happened last year when equine influenza hit the industry. Some \$100 000 a day was lost in the New South Wales racing industry. How many dollars are going into research to prevent equine influenza from crippling this industry again? The Hendra virus causes a heinous condition and is very much unresearched and not well understood in this country. It has the capacity to further cripple this incredibly vital industry. If we are not putting some of this money into research, what then are we doing to this industry?

The Australian Horse Industry Council has attempted to levy every horse owner when registering a horse for any type of equestrian discipline. It has been reduced to the level of having what it calls a zero-based levy, which simply means that it does not levy anyone until something catastrophic happens. I do not think that is an intelligent way of going about preventing the crippling of the industry by these kinds of diseases. Money has to be put into research. I would encourage that to be looked at, not just in light of these amendments, but also in the review of the Racing and Wagering Western Australia Act.

The final issue I wanted to talk about is the promotion of racing. I refer to an article that I have taken out of *The Australian* of 20 October. The article is titled "Booze and breasts before horses". Part of it reads —

It is the biggest weakness in the promotion of racing that the emphasis is on fashion, booze and an unrealistic expectation that winning money wagering is a doddle. Racing sells everything bar the horse which, of course, is at the core of the sport and business. In fact it does the very opposite.

I mention the Australian Racing Board's attempts to bring in rules that reduce the whipping of horses by jockeys in races. The ARB backed down and changed the rule three times in the past month. That is simply not good enough. A decent horseman or horsewoman does not need to whip a horse. If members ask jockeys who have been around for a long time, they will be told that it is about time that jockeys started to learn to ride properly and not to whip. The last paragraph of that article reads —

Racing should be about promoting the beauty and grace of horses in full flight. It is the king of sports. It is not just an industry. Because every spring racing event sells itself on booze, breasts and punting, it will only ever be a gimmick. It has got to sell the horse and not the banality that surrounds it.

I will also read a short quote from a man called Xenophon. He is not very modern; in fact, he was a Greek historian who was alive in 431 BC. He is credited with being the first person to have ever written a book about horsemanship and horse mastering. One of his many amazing comments was this —

For what the horse does under compulsion is done without understanding; and there is no beauty in it either, any more than if one should whip and spur a dancer.

I want the minister to make sure that some of this money goes to preventing disease and strengthening the welfare of the horse in this very important industry.

DR J.M. WOOLLARD (Alfred Cove) [12.26 pm]: I assure the minister that I shall be brief because I know that he wants to get his bill through soon. I think it is important to first state that I support almost all this legislation. I have said in the past how as a family we go to the trotting races and the dog races. It is a fun day

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out. I appreciate that this levy will help particularly those smaller tracks that do not earn quite so much. Those tracks in smaller towns help to hold the community together with a day out. I therefore support that aspect.

The part of the legislation that I would consider crossing the floor on, but it would not do any good, is the amendment to delete section 24(1aa). Section 24(1aa) was inserted in 2004 and reads —

A person who bets through the use of a betting exchange commits an offence.

Penalty: \$10 000, or 24 months imprisonment, or both.

There was a lot of debate when it went through Parliament a few years ago. I think it was a wise decision not to allow betting exchanges to become established in Western Australia. The Education and Health Standing Committee recently travelled to the eastern states where it saw the problems that people in the eastern states have with gambling. Betting exchanges encourage gambling. It is not a fun day out at the races once people can use a computer at home with a banking facility. I believe that betting exchanges will lead to addiction gamblers. Unfortunately, we cannot do anything about it. I appreciate the fact that the minister has to delete this section. The reason is that someone challenged our legislation. The case went as far as the High Court. Unfortunately, because of section 92 of the commonwealth Constitution, which does not allow any restriction on trade between the states, the High Court decided 7:1 that our legislation was unconstitutional. I understand why the section is to be deleted. I think it reflects very poorly on the High Court.

Debate interrupted, pursuant to standing orders.

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Sitting suspended from 12.30 to 2.00 pm