

TAB — PRIVATISATION — TRACKSIDE

Standing Orders Suspension — Motion

MR J.E. McGRATH (South Perth) [3.03 pm] — without notice: I move —

That so much of standing orders be suspended as is necessary to enable the following motion to be moved forthwith —

That this house condemns the Premier for his blatant backflip on the TAB sale, including Trackside gambling, and his lack of integrity for failing to publicly acknowledge and explain this clear and obvious backflip.

Standing Orders Suspension — Amendment to Motion

MR D.A. TEMPLEMAN (Mandurah — Leader of the House) [3.04 pm]: I move —

To insert after “forthwith” —

, subject to the debate being limited to 15 minutes for government members and 15 minutes for non-government members

Amendment put and passed.

Standing Orders Suspension — Motion, as Amended

The ACTING SPEAKER (Mr R.S. Love): Members, as this is a motion without notice to suspend standing orders, it will need the support of an absolute majority for it to proceed. If I hear a dissentient voice, I will be required to divide the Assembly.

Question put and passed with an absolute majority.

Motion

MR J.E. McGRATH (South Perth) [3.05 pm]: I move the motion.

Our Premier made a statement in 2016 about an electronic racing product called Trackside. The Premier was adamant that he was opposed to Trackside and he gave a number of reasons why he would not support what the Western Australian government was talking about at the time. I will read from the now Premier’s media statement. It states —

Racing Minister Colin Holt has confirmed the Liberal–National government is still working on the possible introduction of gaming machines in TABs, pubs and clubs across Western Australia.

The now Premier said —

Mr Holt confirmed the government was still proceeding with negotiations over Keno and electronic horse racing ...

The Minister also confirmed that the government had consulted Crown Casino about the gaming machine expansion plan.

These were the words of the then leader of the WA Labor Party, Mark McGowan, the member for Rockingham. The now Premier went further, because Premier Colin Barnett came out, according to the media statement, and —

... claimed that the government would not introduce Keno or Trackside electronic horse racing in TABs or country pubs and clubs, yet —

In the words of the then Leader of the Opposition —

his own Minister has told Parliament the government is still actively considering the option.

The then Leader of the Opposition, the member for Rockingham, said —

This proves beyond doubt that you can’t trust anything the Liberals say.

I respect the Premier; I have worked with him for a long time, as he said before. I came into Parliament and he was already here; he was the Minister for Racing and Gaming and I was the shadow minister. We had differences of opinion on the odd thing, but we agreed on a lot of things. I have had a view that, ever since chairing a committee that looked into the Racing and Wagering Western Australia Act, there were problems in the racing industry that needed to be fixed. As the Premier said before in answer to a question, those problems were not in the industry when the Premier was the minister for racing. With the expansion of online gambling and the arrival in Australia of corporate bookmakers from all around the world, the local TAB came under pressure. I convinced Premier Barnett that we should move towards selling the TAB. This was a very stressful time for me, as a supporter of the racing

Mr John McGrath; Mr David Templeman; Dr Mike Nahan; Mr Vincent Catania; Mr Mark McGowan; Mr Paul Papalia

industry and someone who has been involved in the industry for a long time, and it was not helped by the fact that the Labor opposition was very strident in opposing it.

The Labor opposition said that if the then government sold the TAB, it would turn the Western Australian racing industry down the same path as Tasmania and South Australia, which were “basket cases”. This made it difficult for us because the racing industry became nervous. This nervousness continued around the industry, and even some of our members became nervous about it. Murray Cowper, the former member for Murray–Wellington, produced stickers that said “Don’t sell the TAB”, which he gave to Labor members and they put on their cars. In fact, the Leader of the House had one on his laptop, and every time he opened his laptop, we could see “Don’t sell the TAB”. That is not what we are talking about today. Having made that statement that he did not want any increase in this type of interactive gambling, which the Premier may have made in good faith, this is an opportunity for him to explain to the people of Western Australia why he has changed his mind.

I remember when the member for Butler was in opposition and we accused him of doing a backflip. His words were: “In politics, there is nothing wrong with a backflip, provided you land on your feet.” We are giving the Premier the opportunity to land on his feet. There are a lot of ways he could explain this to the people of Western Australia. He has attempted to do it in this place, but we do not believe he has got the message across. He could say that he had a view that he did not like Trackside, he did not want to increase gambling and he did not want to put in place products that might cause people harm. But today he has to make the decision that he will support the racing industry and come up with the reasons he has changed his mind and done a backflip on this. For the future of the TAB, the Liberal Party will have a position on the legislation that the government will bring in next year, and I suspect we will support the racing industry. But today we are saying to the Premier: just come out, man up and say to the people of Western Australia, as Mathias Cormann did today in *The Australian*, “We got it wrong. We made a mistake. We should not have done it but now we are moving forward.”

DR M.D. NAHAN (Riverton — Leader of the Opposition) [3.10 pm]: The issue is not so much that the Premier has done a backflip. He has done a backflip, but that is what he specialises in. There have been numerous backflips; in fact, that is a characteristic of the McGowan government. There are two issues. The first is what the Premier did and did not say about Trackside and the second is the concern about spreading gambling throughout pubs and clubs. What happened to that concern? Is the Premier still concerned about that? He was very vocal about it. Last week I asked a question about Trackside and whether it was included in the expansion of the TAB. The Premier said that he never mentioned Trackside when he spoke against the expansion of electronic gaming in pubs and clubs. In fact, he said that it was a falsehood of me to mention it, and the member for South Perth went through that. On Tuesday, 28 June 2016, the Premier, who was the opposition leader at the time, said in a media release —

Racing Minister reaffirms in Question Time ... that gaming machine expansion is still being considered
His press release went on to highlight those gaming machines that were being considered by the then government, and I quote —

... Keno or Trackside electronic horse racing in TABs or country pubs and clubs ...

When he was talking about electronic gaming machines, he explicitly had in mind at that time Keno and Trackside.

Mr M. McGowan: No, I didn’t.

Dr M.D. NAHAN: Yes, he did. That is the problem. The essence of the issue is that the Premier made a statement inside and outside Parliament that he was against the expansion of electronic gaming, specifically Trackside, and now he is in denial. He is the Premier. How can we believe anything that he or his government says if he is blatantly denying what he said? He went on to say at the time that the then government appeared to be so desperate to sell the TAB that it was thrashing around looking for anything to make the price for the TAB higher, and that included offering opportunities for extending gambling for anyone who buys it. That is what he is doing now. It is called Trackside, but he is doing it.

In my view, this is a very poor development. It shows the extent to which the government will go to sell a public asset. Explain that. Importantly, in referring to the expansion of Trackside in the context of the sale of the TAB, the Premier also said that it appeared that the only people who would suffer would be those in regional communities, those people who could least afford it and those people with gambling problems. He also said that some of them are not poor people and some of them are people with more money, and that this means that families, particularly women and children, could be victims of this, because the breadwinner, who is often the male, loses money and therefore there is less money available to pay the mortgage and put food on the table. Where is his concern about this now? He was passionate about fighting the expansion of electronic gaming machines two years ago. In fact, he was going to stop the sale of the TAB on that basis. Now he is promoting the sale with exactly the

Mr John McGrath; Mr David Templeman; Dr Mike Nahan; Mr Vincent Catania; Mr Mark McGowan; Mr Paul Papalia

same issue. First of all, he has denied his previous reference to Trackside and now he is not even mentioning the issue upon which his former opposition to the sale was based. The Premier has said all sorts of things. He also said that it was outrageous that the then government was speculating about doing this, because it will mean that those social ills in the eastern states come to WA. Where is his concern now? What is he doing about it? If it is, as he has said, a problem, he should address that problem. How is he going to do it? What is he doing? What is the problem? Was the Premier just gasbagging in the past and being part of a fiscally wrecking opposition? Is that what he was doing? His actions led to the halving of the value of the TAB asset. His resistance led to the halving of the value of that asset; there is no doubt about it.

Let me summarise this. The Premier said that although it might have given the then government a little bit more money, the social disadvantage would be great. That is why he opposed it—the social disadvantage. Have we heard anything about social disadvantage from these people opposite? Absolutely not. The Premier’s task is to be honest and up-front when he does a backflip and explain it; and, if his backflip is based on the fact that he is no longer worried about social disadvantage, he should tell the public of Western Australia.

MR V.A. CATANIA (North West Central) [3.16 pm]: “Jobs could very well be lost. Actually, let us be frank: they will be lost if the TAB is sold.” Who said that? It was the Premier. Let us talk about the other person, who is now the minister. “If National Party members go out and witness those people’s views, they will very rapidly come to the conclusion that the sale is a bad idea. Once it has been sold, we will lose control.” Who said that? It was the Minister for Racing and Gaming. The person who wants to be the Minister for Racing and Gaming, the member for Collie–Preston, said that selling the TAB will mean that country towns will suffer, as the racing industry will no longer be supported. Three cabinet members were against the racing industry and against the TAB being sold. Hon Darren West from the other place, the wannabe minister, said —

It’s these small country club ... that will benefit most from keeping the WA TAB in taxpayers hands.

An opposition member: When?

Mr V.A. CATANIA: That was on 4 February 2018. Here we have the wannabe and the ministers who were against the sale of the TAB before they came to government. Last week the Premier said that if we do not sell the TAB, the TAB will die, signalling the intention that the government will take anything. That is the problem. The Premier is selling not only the TAB, but also country racing, and racing in general, to the lowest bidder because he does not care.

I want to know who in cabinet has met with Tabcorp, how many meetings they have had, what was discussed in those meetings and whether the discussions were about including virtual horseracing because then it will buy the TAB. How about the Premier and the Treasurer come clean. How about the member for Collie–Preston come clean. Obviously, they have had meetings, which have influenced yet another backflip. There has been one after the other. It will be interesting to see how many fundraisers Tabcorp has attended for the Labor Party. How about they be open, accountable and honest to the people of Western Australia. Whom have they met with, what is the nature of those meetings and what does that mean for selling off the TAB, and selling off country racing, to the lowest bidder, because they said that if we do not do this, the TAB will die?

Shame on you, Premier! Your actions and backflips are going to cost this state hundreds of millions of dollars. Not only have there been racing backflips, but also education backflips, and we will continue to see backflips by this government. Can I say that the punters of Western Australia got this bet wrong. They will make this government a one-term government because all it has done is backflip and hurt the Western Australian economy. It will hurt the TAB and regional racing and it will hurt the public of Western Australia. Shame on you, Premier. You have just cost this state hundreds of millions of dollars. The Premier should come clean about the meetings he has had with Tabcorp.

MR M. MCGOWAN (Rockingham — Premier) [3.20 pm]: Obviously the government will not be supporting the motion. The core of the motion is that I have had different positions on the issue of the TAB, and that is correct. When I was the Minister for Racing and Gaming in 2005–06, I did not support the sale of the TAB. In more recent years, I did not support the sale of the TAB, but prior to the last state election our position changed. In light of all the arguments that have been going on for a long period about this issue and the fact that the TAB’s market share was diminishing and the fact it is competing with some very large entities interstate, we decided that we would consult the racing industry and, if the racing industry was onside, we would proceed with the sale of the TAB. That is what has occurred. I said that before the election and we proceeded with exactly that course—we have done that. The argument is that I changed position—correct. I changed position. Over the last 15 years, I have changed my position. The argument may be that I am not allowed to change position. While the mover of the motion, the member for South Perth, was speaking, more research has been going on. I have a media statement here from John McGrath, opposition spokesperson for racing and gaming, dated 20 February 2006.

Mrs L.M. Harvey: Explain why you changed your mind!

Mr John McGrath; Mr David Templeman; Dr Mike Nahan; Mr Vincent Catania; Mr Mark McGowan; Mr Paul Papalia

Mr M. McGOWAN: Honestly, the opposition does not listen to anything that is said. I listened quietly while opposition members spoke. Listen while I speak. I will explain. I will go back again. Maybe we need to extend time so members can hear it. I had a position as racing minister in 2005–06 when the TAB was strong and competing well. We did not have all these online and corporate bookmakers. They did not exist. We did not have the behemoths—the Tabcorps and the like—that were taking away market share. My position was that I did not support the sale of the TAB because it was doing so well. That was also the position of the shadow Minister for Racing and Gaming at that time, the member for South Perth, who is currently sitting here. I have a press release from him dated 20 February 2006. The headline is “TAB sale idea a blatant power grab”. He stated in the press release —

“We are talking about taxpayers’ money, not racing money. TAB turnover comes from the punters, not people involved in the industry.

“Government should have a say in how the TAB is run.

In other words, his press release was very clear: he did not support the sale of the TAB back in 2006. I read out a moment ago *Hansard* from 2006—there is lots of it. I refer to 22 August 2006. The member for South Perth said —

I hope that our TAB never becomes corporatised ...

There it is. That is what he said back in 2006. We were on a unity ticket back then.

Mr J.E. McGrath: I did a backflip.

Mr M. McGOWAN: The interjection was, “I did a backflip.”

Mr J.E. McGrath: I will admit it if you admit it!

Mr M. McGOWAN: I just said I have changed my position.

Mr J.E. McGrath: Thank you.

Mr M. McGOWAN: Honestly, I said it at the start. I said it three times!

Then we go further along to May 2014. The member for South Perth said —

Please allow me to make some observations about the pros and cons of privatising our TAB. First, let me say that 10 years ago, I would not have been making this speech. Ten years ago the TAB was performing very well, and I was always a firm believer that the TAB remaining in government hands was a good thing. But since then, there have been some massive changes globally in wagering trends, which threaten the viability of traditional TAB operators ... The government’s concern—and I share that concern—is that, unless some action is taken, the asset will continue to be devalued.

That is what the member for South Perth said in 2014. I will repeat what I said in question time. On 20 August 2014, the member for South Perth said —

We have had personal attacks on me by the member for Collie–Preston, who said I have changed my position. Would I be the first person in the world to have changed their position on something? Of course, I always believed that the TAB should never be privatised; that was my view up until events of more recent times.

Mr J.E. McGrath: I did a backflip!

Mr M. McGOWAN: The member for South Perth did a backflip—correct.

Mr J.E. McGrath: Join me!

Mr M. McGOWAN: In November of last year, the member for South Perth put out a press release saying —

Shadow Minister for Racing and Gaming, John McGrath said industry supported the privatisation of the TAB, and with the approval of the merger of Tabcorp and Tatts, the Government needed to provide certainty to the industry and outline the future of the Western Australian TAB.

That is what we are doing. The member called on us to do it in a press release; we do it and the opposition attacks us! The member for South Perth moved the motion attacking us for doing exactly what he called on us to do. My conversion on this issue was maybe two years behind the member’s. On numerous occasions in 2016 I said that if the industry supported the sale, the Labor Party would go with it. Perhaps my conversion followed on from the member for South Perth’s cogent arguments in this house. Last year, the member called on us to set out the future. We set it out and now the member comes in here with all this carry-on to try to score some points and attack us on it. Honestly, what he is trying to do is so see-through. I just hope the member does not betray the future of the racing industry by seeking to vote it down. All we are trying to do is secure the future of the racing industry. In 2014, the member for South Perth said, “The viability of the TAB is going down.” He said it four years ago. Four years on, it has continued to go down.

Mr John McGrath; Mr David Templeman; Dr Mike Nahan; Mr Vincent Catania; Mr Mark McGowan; Mr Paul Papalia

The second component of the argument is that the former Liberal government's failure to sell the TAB was all my fault. I was the opposition leader. I controlled 21 votes out of 59.

Ms R. Saffioti: And even then.

Mr M. McGOWAN: Yes, and even then—it was not easy. How was that my fault? I am trying to do what the former government failed to do. That is what the minister is trying to do. I will tell members opposite what we did differently. We went through the most extensive consultation program with the industry one could ever imagine. We went out there and talked to the industry and listened and reached a consensus position, which is what this position is. If the opposition wants to vote down this position, if it wants to destroy the future of racing in Western Australia, that will be on the Liberals' and Nationals' heads. I note that when the Leader of the Opposition was in government, on numerous occasions he supported the sale of the TAB. Support it! Will the Leader of the Opposition say that he is going to support it? Will the Leader of the Opposition support it? He said that he was going to support it. Is he going to support it?

Dr M.D. Nahan: Put something to us, and be honest about Trackside!

Mr M. McGOWAN: We are! I think the Leader of the Opposition's argument around Trackside —

Dr M.D. Nahan: Are you expanding gambling?

Mr M. McGOWAN: Let us just deal with the Trackside issue. The Leader of the Opposition's argument around Trackside, as far as I can determine it, is that it is an electronic gaming machine.

Dr M.D. Nahan: Yes.

Mr M. McGOWAN: There it is—it is not.

Dr M.D. Nahan: It is.

Mr M. McGOWAN: It is not. There is a difference of opinion.

Dr M.D. Nahan: You put in an amendment to the act to define it as such.

Mr M. McGOWAN: An electronic gaming machine is a machine that looks like a poker machine at the casino. It is not actually a poker machine because it involves an element of choice, but it looks like a poker machine at the casino. I said that we would not expand them throughout the community. The Leader of the Opposition is trying to pretend that me saying that means that I said that we would not have Trackside. That is what he is trying to do. It is a pathetic argument.

Dr M.D. Nahan: Look at the definition in your own amendment to the act.

Mr M. McGOWAN: Yes, look at the definition. I note the member for Bateman tweeted about it. According to him, apparently a PlayStation 4 is an electronic gaming machine. I do not want the proliferation of PlayStation 4s throughout the community, according to his definition. My definition of an electronic gaming machine is the machine that is at the casino, which is the commonly held definition. Trackside is a completely different product. It is essentially a virtual racing product. Someone has as much chance of winning on Trackside as they do on an ordinary race. They have exactly the same chance of winning. That is the reality. Someone bets on it. There is a form guide and someone bets, as they do on anything else. I just explain again: there are all these little agents and pub TABs out there. Their business has diminished because of the mobile phone. People gamble with Sportsbet and the like on their mobile phone. Their business is diminishing.

Dr M.D. Nahan interjected.

Mr M. McGOWAN: Please, I did not yell at you while you were speaking.

The ACTING SPEAKER: Leader of the Opposition, I will call you if you keep going.

Mr M. McGOWAN: Please show some courtesy.

Dr M.D. Nahan interjected.

Mr M. McGOWAN: My God! Mr Acting Speaker, I was quiet while they spoke. Show some courtesy.

Mobile phones are taking trade away from those little TAB agents. They are taking trade away from those little country pubs with their pub TABs. All Trackside does is give them another product, which is a racing product. People go in there to bet on the races. It is a racing product. It is not a poker machine; it is not a gaming machine. It is little operators out there in the community who want to feed their families. If the opposition wants to deny them the opportunity to feed their families and support their small businesses, it is an indictment on the modern Liberal and National Parties.

Mr John McGrath; Mr David Templeman; Dr Mike Nahan; Mr Vincent Catania; Mr Mark McGowan; Mr Paul Papalia

MR P. PAPALIA (Warnbro — Minister for Racing and Gaming) [3.29 pm]: Few subjects display the absolute dysfunction of the previous government more than discussions about the Totalisator Agency Board. As we have heard consistently in this place today, the current opposition appears to be outraged that we are doing something that it was incapable of doing in government. The former Premier floated the idea of selling the TAB in 2013 and the previous government failed to sell it. The current Leader of the Opposition put the sale of the TAB into the 2014 budget but then the previous government took no action for the remainder of its term, creating enormous dysfunction and uncertainty in the industry. After that, it was apparently the then opposition's responsibility.

Everyone in Western Australia knows that the Labor Party has never controlled the upper house. We do not currently control the upper house, and we did not for the entire eight and a half years of the former government. Had the previous government wanted to sell the TAB, it had the numbers to do so. It never introduced a bill to bring about that action. Why did it not? Because the then Minister for Racing and Gaming was a National Party member of the then government's supposed cabinet, which would break up at a moment's notice, depending upon the whim of the then Premier. It was incapable of getting the three National Party members of cabinet to support a motion for the sale of the TAB. That is the real reason it did not go ahead.

The real story here is not that the current government changed its position because it now has an opportunity to introduce a point-of-consumption tax to establish an ongoing source of revenue for the entire industry—the most generous package for a racing industry in the whole country, to ensure the future of racing in WA. It is not that we are ensuring that 35 per cent of the net sale proceeds will go towards an infrastructure fund, a future fund, to ensure that there are upgrades to and maintenance of racing infrastructure right across the state, under the guidance of the principal racing authority. That is not the story. The story is that when the previous government had control of both houses of Parliament, it could not do what the Premier of the day wanted to do and what the member for South Perth wanted to do, because the National Party would not let it. That is the actual story.

Now, in opposition, members opposite are trying to suggest that this sale is somehow an outrage. We took office having said before the election that we would consult with the industry and take its advice, and if it so desired, we would pursue the sale. Within months of that, the Treasurer undertook a due diligence process and the most comprehensive consultation that has ever been seen in the racing industry—firstly through the Racing and Wagering Western Australia board, then through the code committees and then, more broadly, through the racing industry. There were 107 submissions from the industry and it overwhelmingly supported the sale of this asset and, I might add, overwhelmingly supported the Trackside component of the sale. The racing industry of Western Australia has overwhelmingly indicated to the government that it wants to sell the TAB and that it wants Trackside to be part of it because it will add value. The member for South Perth knows that all the TAB agents, including Jeff Miles, president of the Western Australian TAB Agents' Association, want Trackside. The industry has told us that it wants it, and it wants it now. The question is: will the opposition support it, or will it oppose it? Will members opposite drive down the price of the TAB? Will they drive down the return to the industry? Will they prevent TAB agents —

Mr A. Krsticevic interjected.

The ACTING SPEAKER: Member for Carine, I call you to order for the third time.

Mr P. PAPALIA: Will they prevent TAB agents from having a little additional revenue that they do not currently enjoy?

Mr Z.R.F. Kirkup interjected.

Mr P. PAPALIA: An amount of \$4 000 on a limited revenue may not be much to the member for Dawesville, but it is a fair amount for TAB agents and the TAB Agents' Association. Does the member have any TAB agents in his electorate? The question is: what does the Liberal Party stand for? Does it want to help the sale of the TAB and help the industry or not? That is the question now, member for South Perth. He cannot dodge it anymore. He has to answer the question: do you support the sale of the TAB? Do you support the best outcome? Do you support Trackside as part of that sale? If he does not, he should tell the industry. He should not come in here and attack us; he should go and tell the industry what he stands for. Does he stand for the best outcome for the racing industry of WA?

Division

Question put and a division taken, the Acting Speaker (Mr R.S. Love) casting his vote with the ayes, with the following result —

Extract from Hansard
[ASSEMBLY — Tuesday, 16 October 2018]
p7047c-7053a

Mr John McGrath; Mr David Templeman; Dr Mike Nahan; Mr Vincent Catania; Mr Mark McGowan; Mr Paul Papalia

Ayes (18)

Mr I.C. Blayney
Mr V.A. Catania
Ms M.J. Davies
Mrs L.M. Harvey
Dr D.J. Honey

Mr P. Katsambanis
Mr Z.R.F. Kirkup
Mr A. Krsticevic
Mr S.K. L'Estrange
Mr R.S. Love

Mr W.R. Marmion
Mr J.E. McGrath
Dr M.D. Nahan
Mr D.C. Nalder
Mr K. O'Donnell

Mr D.T. Redman
Mr P.J. Rundle
Ms L. Mettam (*Teller*)

Noes (32)

Dr A.D. Buti
Mrs R.M.J. Clarke
Mr R.H. Cook
Ms J. Farrer
Mr M.J. Folkard
Ms J.M. Freeman
Ms E. Hamilton
Mr W.J. Johnston

Mr D.J. Kelly
Mr M. McGowan
Ms S.F. McGurk
Mr S.A. Millman
Mr Y. Mubarakai
Mr M.P. Murray
Mrs L.M. O'Malley
Mr P. Papalia

Mr S.J. Price
Mr D.T. Punch
Mr J.R. Quigley
Ms M.M. Quirk
Mrs M.H. Roberts
Ms C.M. Rowe
Ms R. Saffioti
Ms A. Sanderson

Ms J.J. Shaw
Mrs J.M.C. Stojkovski
Mr C.J. Tallentire
Mr D.A. Templeman
Mr R.R. Whitby
Ms S.E. Winton
Mr B.S. Wyatt
Mr D.R. Michael (*Teller*)

Pair

Mrs A.K. Hayden

Mr F.M. Logan

Question thus negated.