

Mr John Kobelke; Mr Matt Birney; Mr Arthur Marshall; Mr Jeremy Edwards; Mr Phillip Pandal; Mr Max Trenorden; Acting Speaker; Mr John D'Orazio; Mr John Bradshaw; Mr John Bowler; Mr David Templeman; Mr Mick Murray; Mr Rod Sweetman; Mr Mike Board; Mr Martin Whitely; Mr Terry Waldron; Mr Paul Andrews; Mr Rob Johnson

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**RACING AND WAGERING WESTERN AUSTRALIA BILL 2003**  
**RACING AND GAMBLING LEGISLATION AMENDMENT AND REPEAL BILL 2003**  
**RACING RESTRICTION BILL 2003**  
**RACING AND WAGERING WESTERN AUSTRALIA TAX BILL 2003**

*Cognate Debate*

On motion by Mr J.C. Kobelke (Leader of the House), resolved -

That leave be granted for the Racing and Wagering Western Australia Bill 2003, the Racing and Gambling Legislation Amendment and Repeal Bill 2003, the Racing Restriction Bill 2003 and the Racing and Wagering Western Australia Tax Bill 2003 to be considered cognately, and for the Racing and Wagering Western Australia Bill 2003 to be considered the principal Bill.

*Second Reading - Cognate Debate*

Resumed from 13 March.

**MR M.J. BIRNEY** (Kalgoorlie) [4.26 pm]: I advise members that I represent Hon Barry House, the shadow Minister for Racing and Gaming, who obviously resides in the other place. I place on record the Opposition's support for this series of Bills; it is pleased to have the measures dealt with in an efficient manner and has agreed to the Leader of the House's proposal to have them dealt with cognately.

The concept outlined in these Bills has been around for some years: it originated in the time of the previous Government when it commissioned the Turner inquiry, which made a number of recommendations that pretty much represented an overhaul of the racing and gaming industry. The legislation before the House is, in part, the conclusion of the Turner report.

The legislation broadly has been welcomed by the three codes. For those members who are unaware, the three codes to which I refer are the thoroughbred racing industry, the trotting industry and the greyhound industry. I understand that the three codes support the legislation. In fact, many of them are eager to see it quickly pass through the Houses to reach its conclusion. Although the Opposition has a number of speakers who wish to make a brief contribution, it will not seek to hold up the measures in this House or seek to make many, if any, amendments in this House; that will be saved for the other place, where some amendments proposed by Hon Barry House will no doubt receive majority support. The Opposition's intention is to get the Bills passed to the other place as quickly as possible, in accordance with commitments given to the various codes.

A number of points of contention arise with regard to various items in the legislation. I now go back a step to give a thumbnail sketch, for members who have not read the Bills, of the types of matters contained in the collective legislation.

Currently, one of the three codes has principal club status in Western Australia and is responsible for all racing and gaming in this State. Many believe that this is not an ideal situation. That should be changed by creating a board. The board will be known as Racing and Wagering Western Australia, shortened to RWWA. That board will have absolute control of racing and gaming in Western Australia. It will set racing dates and venues across all three codes, which is very important. It will control the stewards, drug testing, appeals, handicapping and all those operational matters associated with the race meetings of the three codes. It will license all operators, which is a very important function, and it will take over the functions of the Racecourse Development Trust. The Totalisator Agency Board, as we know it today and as we have known it since 1961, will be abolished and rolled into RWWA. I am sure members agree that this will be a rather historic moment for racing and gaming in Western Australia. As I said, the functions of the TAB will be rolled in with the functions of RWWA, and all those functions previously undertaken by the TAB will be undertaken by the new board.

Mr Acting Speaker, I am sure you would agree that the new board will be a very powerful body, capable of expending multiple millions of dollars. As I understand it, the contribution by the TAB to the three codes in Western Australia is in the order of \$60 million per annum, which amount is currently distributed to the three codes by way of a statutory percentage table. Those percentages currently stand at 55.26 per cent for the gallops, or the thoroughbred races; 29.76 per cent for the standardbreds, or the trots; and 14.98 per cent for the greyhounds. Considerable anxiety has been displayed throughout the three codes about their possible future share of that considerable amount of funding. From the 2000-01 figures - obviously not the latest set of figures, but they are fairly close to the current situation - the metro gallops turned over some \$1.82 million for the TAB; the provisional gallops - those country race clubs such as the one in my electorate of Kalgoorlie, and those in Bunbury and Pinjarra and a few others who have TAB status, where people can walk into a TAB betting shop

**Extract from Hansard**  
[ASSEMBLY - Tuesday, 8 April 2003]  
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when those races are being run and bet on them - contributed some \$36.7 million towards the TAB turnover; the country gallops - basically those much smaller country racing clubs, such as Esperance and Broome and a few others that undertake largely social, once-a-year-type race meetings - contributed \$2.194 million, and they are the clubs that, generally speaking, do not have access to the TAB network. In total, the gallops contributed \$139.740 million towards the TAB sales in 2000-01, the metro trots contributed \$29.574 million, the country trots contributed \$14.435 million and the greyhounds contributed \$31.5 million. I have the latest figures for 2001-02 and I do not propose to go over them again, but I will give members the percentage contribution that each of those three codes made to the TAB turnover, based solely on the Western Australian contribution. I am not talking about those bets placed on eastern States' races. The WA gallops contributed 63.68 per cent of the total turnover, the WA trots contributed 29.76 per cent and the greyhounds contributed 14.98 per cent.

The arguments put forward by the various codes are pretty powerful and I will go through those arguments for the benefit of members present. The gallops would have people believe, and perhaps not unfairly, that they contribute the vast majority of turnover to the TAB - last year the percentage was 63.68 per cent - yet their total return by way of TAB profits is only 55 per cent. On the other hand, the trots receive 29.76 per cent and last year contributed 21.68 per cent to the total turnover. The greyhounds are about equal - they contribute 14.6 per cent of turnover and receive in return 14.9 per cent. There is a significant disparity of thought between those people who support the trotting industry and those who support the racing industry.

A number of other matters need to be taken into consideration. In this day and age most people prefer to bet on things they can see - through Sky Channel, for instance. In that regard, Sky Channel is all powerful. Sky Channel basically provides the vision for various events around Western Australia and Australia. If Sky Channel decides that it will show a certain event, that lends itself to an increased turnover. In one respect, the three codes have very little control over their destinies. We should take notice of the fact that the gallops contribute sizeably more than the other two codes to the TAB turnover.

Mr M.W. Trenorden: Of the 60-odd per cent, only 11 per cent is generated in Western Australia.

Mr M.J. BIRNEY: No. For the gallops, an amount of \$141 million came out of Western Australia last year; \$367 million came out of the eastern States.

Mr M.W. Trenorden: Ascot and Belmont represent 11 per cent of the turnover of the Western Australian TAB.

Mr M.J. BIRNEY: I am not sure I understand the point the member is trying to make.

Mr M.W. Trenorden: No-one dominates this industry. An amount of 11 per cent is very minor.

Mr M.J. BIRNEY: The point the member is trying to make is that the majority of Western Australian TAB sales are generated from eastern States betting, which originates from Western Australia. To illustrate that point, last year the eastern States gallops turnover was \$367 million, and the WA gallops turnover was \$141 million - a significant disparity, and that disparity is fairly similar for the trots and the greyhounds.

My impression is that the racing people are of the view that they contribute greatly to the TAB turnover and should be rewarded or recognised appropriately. On the other hand, the trotting people are very concerned that with the passage of this legislation, their slice of the pie may decrease. If one were an economic rationalist in the purist sense of the word, one might be inclined to say that the gallops are contributing all this money and the trots are contributing significantly less, so let us change the percentages.

One point of view that has not been canvassed widely throughout this debate - in the community and also in this place - is that the TAB was set up in 1961 as a joint venture between the trotting industry in Western Australia and the thoroughbred racing industry. Both the trotting and the racing clubs contributed some £2 500 towards setting up the TAB, and that TAB continued to operate until about 1974 or 1975, when the greyhounds also became part of the distribution network. However, the Totalisator Agency Board was initially set up as an equal partnership between the Western Australian Trotting Association and the Western Australian Turf Club. Now that we are 30 or 40 years down the track and the gallops industry has become considerably bigger by way of its TAB turnover, is it fair to say that the scale should be completely tipped in favour of one originating partner to the detriment of the other? I do not think that point of view can be adopted, and the answer is somewhere in the middle. The current distribution figures are probably pretty right, notwithstanding all of those various arguments.

I will now refer to a dollar return per dollar generated breakdown across all codes based on the TAB profit distribution and TAB sales generated in 2000-01, which comes from the "Western Australian Racing Industry Status Report 2001-2002". It is important for members to understand that the metropolitan gallops returned 21c in the dollar per dollar generated, the provincial gallops returned 21c in the dollar and the country gallops

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returned 89c in the dollar, which is obviously fairly high. This equates to about 21c in the dollar for the gallops across the board. With the trots, on the other hand, metropolitan harness returned 37c in the dollar and country harness returned 35c in the dollar, which equates to 37c in the dollar across the board. The greyhounds came in at about 25c in the dollar. If one code were to be supported over the other, it would be a fairly powerful argument, with the percentage return to the gallops being much lower than that for the trots. However, once again, the TAB was the brainchild of both those codes in 1961. It was formed as an equal partnership, albeit by way of government legislation. Of course, if the Government had not legislated for it, it would not have happened. However, the two bodies that were prepared to put their money where their mouths were at the time, which amounted to £2 500 each, were the trotting and the turf clubs. It is important that that continue to be recognised even today.

There is an issue with regard to the make-up of the board. The new Racing and Wagering Western Australia board will be an all-powerful board capable of dishing out some \$60 million. The initial recommendation from the Minister for Racing and Gaming was that the gallops should have two representatives on the board and the trots and the greyhounds should have one. The trots waged a strong campaign across all sectors in the public and amongst members of Parliament and other rather conspicuous lobbyists, whom we have heard a fair bit about in recent times. The net result is that the board will now be made up of two trotting and racing representatives and one greyhound representative. It is a reasonably fair position, but it is pertinent to ask how the trots people became such good lobbyists to have this decision changed. I wonder whether it might be a result of the influence of the Labor Party bogymen, the former Labor Premier Brian Burke, who has associated himself -

Mr P.B. Watson: Will you take an interjection? Country Labor got them in.

Mr M.J. BIRNEY: I thought the Country Labor Alliance had disbanded after the one vote, one value debacle. It has washed up on the rocks. How can members opposite even utter those words? It is absolutely disgraceful! I was sidetracked by my friend from the so-called Country Labor Alliance. The point is that we have seen a fairly major turnaround by the Government on this Bill.

Mr P.B. Watson interjected.

The ACTING SPEAKER (Mr A.D. McRae): Member for Albany!

Mr M.J. BIRNEY: That can be attributed in part, if not in whole, to the lobbying efforts of Brian Burke, the former Labor Premier. It is interesting to note that every time the former Premier's name comes up in debate, the minister responsible stands up and says, "I've never met with Brian Burke and I would never meet with him." However, that is not the way Brian Burke operates. He approaches the vulnerable backbenchers, most of whom form - what is the terminology - the Country Labor Alliance, or limp-wristed -

Mr P.B. Watson: The Country Alliance is your mob.

Mr J.J.M. Bowler: The Country Labor Alliance.

Mr M.J. BIRNEY: Sorry, it is the Country Labor Alliance. He approaches most of those people and says, "You know I'm pretty powerful in the Labor Party and I can pull a few strings here and there." In fact, a certain number of members opposite owe their preselection to this fellow. Brian Burke says to them, "What about you going and making representations to the minister and tell him that we are not happy with this?" Of course, like sheep, one after the other those members approach the minister. Of course, the net result today is that there is a change in the make-up of the board under this legislation.

Mr J.B. D'Orazio: Are you saying that the trotting people who lobbied our backbenchers had no effect on this process?

Mr M.J. BIRNEY: The member did not listen to what I said. I said that Brian Burke was responsible in part, if not in whole, for the decision. The trotting people have my utmost support and are particularly good operators. There is no doubt about that. The trotting people in Western Australia mounted a very strong campaign. They have approached me in my office and I imagine that they have approached members of the country limp-wristed society - sorry, the Country Labor Alliance. They have done a good job and achieved their outcome. All credit to them.

Mr J.B. D'Orazio: Do you support them?

Mr M.J. BIRNEY: Do I support what?

Mr J.B. D'Orazio: What you are talking about - the fact that they now have two delegates?

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Mr M.J. BIRNEY: We will move an amendment in the upper House that members opposite will get a chance to see.

It is not my intention to hold up this Bill. Suffice to say that the Opposition is prepared to support it. We will move a couple of small amendments in the other place and I am sure members will be interested to have a look at them.

**MR A.D. MARSHALL** (Dawesville) [4.48 pm]: This legislation is about reconstructing the racing industry. Many believe that it is a good move while others would like to see some small changes made. However, I believe that the new format will be very good for the racing industry. The Bill proposes to merge the Western Australian Turf Club, the Western Australian Trotting Association and the Western Australian Greyhound Racing Association together with the offcourse betting activities of the Totalisator Agency Board. This will create a single controlling authority to be known as Racing and Wagering Western Australia - RWWA. To achieve this reconstruction a number of principles are proposed. The first is that RWWA be established as the controlling authority for thoroughbred, harness and greyhound racing in Western Australia. This is a good move. The Western Australian Turf Club, the Western Australian Trotting Association and the Western Australian Greyhound Racing Association will each remain as racing clubs responsible for the conduct of racing activities at their respective venues. That, too, is a very sensible move with which I agree. The next change is that the TAB will be abolished and RWWA will assume responsibility for the conduct of all offcourse betting. In principle, that looks to be a good move, with everyone being brought under one roof. However, some people say that the privatisation of the TABs in the eastern states - Victoria and New South Wales - proved to be a bonanza for some shareholders when it went on the stock exchange. The value of the TAB could be in the vicinity of \$100 million to \$150 million. Why would a government authority change a body that had its own identity and was worth that much money and combine its management with a new group that did not have the experience of one panel of experts? That seems to be a little shaky to me. On the surface it looks to be a good move, but it is something that should be considered in greater detail.

The racecourse development trust will be abolished and the racing and training infrastructure will be controlled by Racing and Wagering Western Australia. That is sensible. The trust's allocated funds and funding source - namely, the unclaimed Totalisator Agency Board dividends and refunds - will be transferred to RWWA. RWWA will be in complete control of the racing industry of Western Australia. It will become a very powerful body. To complement this restructure it is proposed to merge the Betting Control Board and the Gaming Commission of Western Australia to form the Gaming and Wagering Commission of Western Australia. They are all progressive and well thought out moves. However, as I said, a few people in the industry have made some interesting points that require more discussion. For instance, RWWA will be governed by a board of directors, which will be headed by a chairperson appointed by the Minister for Racing and Gaming. The minister will be in a very powerful position in his capacity to make that appointment. However, that is acceptable. Until some lobbying occurred, two persons were nominated from the racing industry, one person from the harness industry and one from the greyhound industry. We have heard about the lobbying that occurred - we were all lobbied. I do not believe any one person is better qualified than another. The authority was changed to ensure that, apart from the chairman, two people will represent racing, two will represent harness racing and one will represent the greyhound industry. That reflects the difference of opinion about which code is more important. In addition, four persons will be appointed to the panel who will have expertise in management, finance, business or commerce and have experience relevant to the functions of RWWA. It is an important clause. One of the latter four persons must have knowledge of and experience in regional development. Many members represent country regions and they appreciate their importance.

In 1993, when I was the member for Murray, I boasted that my electorate was the only country region in Western Australia in which the three codes operated. The greyhound, trotting and racing industries operated at Pinjarra. Three years later, after a greyhound track had been established at Northam, the member for Avon boasted, as I did, that our electorates were the only two in which all three codes operated. As the member for Dawesville I now travel to the races at Pinjarra. My interest in the industry has not waned. I am probably the only politician here who has owned participants in the three codes. I owned a number of successful racehorses and a number of successful trotters - not the one racing at present. I have owned two greyhounds: one was a superstar and one unfortunately got lead poisoning!

Several members interjected.

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Mr A.D. MARSHALL: I did not say that. As members can appreciate, the racing industry generates emotional highs and lows. Until the elections two years ago, I had not experienced losing and I am finding it difficult to accept!

Getting back to serious business, I wonder whether the panel on RWWA is too large. Would it not be better to have eight people, with one person who each represents racing, the harness industry and the greyhound industry? It would be fairer and would provide equality. Each code plays an important role in the community.

One of the other important aspects of the reconstruction of the industry was the decision to establish a close relationship between the TAB and the racing clubs to overcome the lack of cohesion and strategic direction. That is also a step in the right direction. It will simplify the distribution of the net profits, which has always been an area of discrepancy. Only a few years ago the modification of operations legislation established a breakdown of profits to ensure that thoroughbred racing would receive 55.26 per cent of the TAB turnover; harness racing, 29.76 per cent; and greyhound racing, 14.98 per cent. This is still one of the contentious issues in the Bill. This 55, 30 and 15 per cent breakdown will expire on 31 July. The trotting code in particular is very concerned that if this legislation is not resolved by then, this distribution must be set for another year and maintained until at least 2005. It must then be taken out of the hands of RWWA. A sunset clause in the Bill should provide that the distribution of the moneys from the TAB should be at the discretion of a parliamentary board. Parliament should continue to be the independent body. As members all know, regardless of committees on which we serve - be they sporting, business or political committees - some factions and lobbyists are more skilled at lobbying than others. In a group of eight, the most successful lobbyists could influence the others to change the distribution and cause other codes to suffer. It is important that a common denominator - the parliamentary body - be the judge of the distribution.

The trotting industry is not opposed to the changes to the distribution formula, but it believes that Parliament must retain the final stamp of approval. I would like to see another set of approvals introduced. The former Minister for Racing and Gaming set a cap of \$50 million from the TAB profits to be distributed according to the formula to which I just referred. Anything over that was to be distributed at the minister's discretion. Most of it went to regional country racing, which was a very good idea. That cap should remain because all the codes will then have something with which to work. Knowing that they will receive a portion of \$50 million, they will be able to budget accordingly. As we all know, the turnover of the TAB is improving each year. Any additional money will provide a bonus. That is very important.

It is important that members understand the insecurity felt by people involved in harness racing because of this legislation. To give members some idea of the passion people feel about the racing game, particularly someone in trotting, I will read a letter from Roy Adam, a life member and past President of the Pinjarra Trotting Club. He wrote a book on the history of trotting in that area. Under the heading "How the Fortunes Have Changed" he writes -

In the late 1950's, Racing was struggling to survive and Trotting was thriving. In 1955, the President of the W.A.T.A. (Mr J. P. Stratton) suggested that a T.A.B. should be established in W.A. It was not until 1960 that he convinced the W.A. Turf Club of the benefits, and each code contributed 2500 pounds (\$5000) to fund the T.A.B. This money was refunded to the Clubs in 1972 and since then no further assistance has been required. Neither the W.A. Government nor the Greyhounds have ever made any financial commitment to the T.A.B.

The inaugural Chairman of the T.A.B. (Mr J. Maher) predicted in 1960 that the T.A.B. would one day turn over 12 million pounds (\$24m) but no more than that. Today the annual turnover is in excess of \$900 million.

In 1967 when Trotting was generating more than 50% of the W.A. turnover and receiving 40% of the distribution, a gentlemen's agreement between the W.A.T.A. and the W.A.T.C. resolved that the ratio for T.A.B. distribution would be 60:40 in favour of Racing in the foreseeable future.

In those days the trotting industry propped up the racing code. As he said, it was done according to a gentlemen's agreement. However, things worked well in those days. It was unlike the situation that occurred this afternoon when someone snatched something off the Table without asking permission. I thought that was disgraceful. It continues -

Industry reports have conceded that Trotting has borne the brunt of competition from the Greyhounds, the Casino, nightclubs and T.V. Sports etc. which has caused their turnover percentage to fall sharply.

It was changed to operate on Saturday nights, but it has been rescheduled to Friday nights. It continues -

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In 1988 the Government introduced the 70:30 T.A.B. Distribution legislation which would have progressively reduced Trotting's share to 30% in 10 years. In 1994 when the percentage was at 33.4, the legislation was halted by the then Racing Minister and the ratio was restored to 65:35.

During the 42 year existence of the W.A.T.A.B. the Racing code has received \$189 million more in distribution than Trotting -

The ratios were initially set up for trotting -

more than \$117 m. of that in the last 10 years. Trotting has already lost more than \$22 million in distribution as a result of the 70:30 legislation.

For their commanding position at this time Racing must be most grateful for the 60:40 gentlemen's agreement in 1966 and for the unforeseen and astronomical growth of the T.A.B.

Now Trotting is struggling to survive and Racing is thriving.

That is why I believe it is important to remember when we are debating this legislation that all racing codes are important. Each code caters to different sections of the community, which have different financial resources. People involved in all the racing codes enjoy animals, competition, the camaraderie and the social events that racing provides. Each code has its own special attraction to owners, fans and punters and none should be regarded as better than the others. It is of great concern when people believe they are more important than others are, and if they believe that, it does not mean that they are better people. These three codes, therefore, comprise the sport of kings.

I recall reading Robert Sangster's autobiography in which he referred to his wealth and how he revolutionised the racing industry in Britain by bringing in breeding horses from Ireland, which increased the stakes and kept the place alive. He was eager to become a member of the racing committees in Britain but he could not because only a blueblood with a knighthood could be a member of those committees. I learnt then why racing is called the sport of kings. That line of thinking runs right throughout the racing world; the people who are involved in the thoroughbred industry can appear aloof. Thoroughbred horses are much more expensive to buy and more expensive to train. However, we should not overlook the importance to the racing industry of people in the harness racing game. They tend more to be family groups who have their own little track on five or 25 acres of land. They tend to breed a couple of horses each year, train them on the track and race them in various events, initially mostly in the country. Greyhound racing caters to the man on the street who wants to have a go. He tends to have a greyhound in his family that his kids can name and cheer for, and that he can breed from. There are usually six to eight greyhounds in a litter and kids get a lot of excitement choosing one from a new litter. There is, therefore, room for all in the racing industry from the sport of kings to the sport of families and working-class battlers. All animals must eat and be cared for. Horses in particular must have saddlery, be groomed and have horse floats and extra equipment, which generates employment in the racing industry.

I ask members when considering this Bill to not regard one part of the industry as better than others. That is why there must be equal representation from each code on the Racing and Wagering Western Australia board. I repeat that the RWWA committee will be a good thing for racing provided that the three racing codes are represented by a person from each code and that Parliament retains the right for the final stamp of approval of the Totalisator Agency Board formula. With those two points in mind, I support the Bill.

**MR J.P.D. EDWARDS** (Greenough) [5.03 pm]: I lend my support for this Bill and for the establishment of the new structure for the racing industry. The racing industry is worth in excess of \$1 billion to the Australian economy. It is probably worth reflecting on the number of people and commercial interests involved in the racing industry. I refer to those who breed and maintain gallopers, trotters and dogs, the owners of studs that provide them, and the people who work on studs fencing them and building dog cages. As the member for Dawesville said, the staff associated with all three codes are part of a brotherhood that uses veterinary services, stockfeed suppliers, freight and transport. The industry employs trainers, strappers, grooms, dog handlers, builders of horse floats, stewards, jockeys, drivers, attendants, ticket sellers and so on.

Mr P.G. Pendal interjected.

Mr J.P.D. Edwards: I did not hear what the member for South Perth said, but I am sure there must be others. It is a very large industry and it must be supported. I believe the structure for the industry proposed by the Government in the Bill, which I believe was initiated by the previous Government, will go down the right road.

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The Turner report made a number of recommendations. I will not go through them all. The principal recommendation referred to the new board that will be formed. As has already been said, the board will comprise two representatives from the Western Australian Turf Club, two from the Western Australian Trotting Association, one representative from the Western Australian Greyhound Racing Authority, an independent chairman and four members of the business community, giving a total of 10 members.

The legislation will merge the three racing codes, which will probably give the board an overarching decision-making role. It is important to note that it will allow the three codes to retain their individuality and independence. However, I note that the board's membership will have a ratio of two, two and one. Greyhound racing is uncommon in rural Western Australia. It is more a metropolitan pursuit at this stage. One day greyhound racing might go outside the metropolitan area; therefore, one of the two members representing gallopers and trotters in regional Western Australia should be a country member. In other words, one of the two representatives from the Western Australian Turf Club should represent country racing and one of the two representatives from the Western Australian Trotting Association should be a country member.

Country racing is most important to Western Australia. It is very beneficial to the economy. I will relate to the House the betting figures for 2001-02 of my local racing club, which is situated in Geraldton. That club had 12 meetings, from which oncourse betting amounted to \$617 000 and offcourse betting \$1.508 million. Those are significant sums of money. If members do their sums, they will find that represents \$51 000 for each oncourse meeting and \$125 000 for each offcourse meeting. More than 1 000 people attended those 12 meetings. There have been 14 meetings this year but I do not have the dollar figures with me. There were some 11 horses in each race, which is a good number of horses racing. In the past - not currently - racing in the metropolitan area has had difficulty getting a field of 11 horses.

Country racing is very important to Western Australia and to the racing industry as a whole; the board must be cognisant of that in its thinking and decision-making. I mention as part of this debate, because it is very important, that the number of race days allocated to regional meetings is, and has been for some time, an area of concern. That point needs attention. Country owners and trainers need to know that racing is supported. They contribute financial benefits to their local communities through all the commercial interests that I have mentioned. Therefore, I support the distribution of the first \$50 million from what is currently the Totalisator Agency Board to the thoroughbred, harness and greyhound racing codes. That allocation of \$50 million will provide some certainty of income for each of the three codes, which I believe is vitally important. A sufficient percentage of moneys derived from betting and other revenues from all three codes should certainly go back into the racing industry.

I wonder whether people understand just how big an industry racing is. It is a billion-dollar industry that employs an enormous number of people. The Turner report covers many areas of concern. I will not go into the cognate Bills dealing with racing and gambling, which have been covered by other speakers. I am aware that we are in agreement on most of those. With those few words, I support the Bill.

**MR P.G. PENDAL** (South Perth) [5.11 pm]: I will speak briefly in support of the Bill in the main. The Bill has arisen substantially out of the Turner report that was commissioned by the previous Government. I have no direct interest in the three codes, although I am the son of a horse-mad parent who trained, ran and owned both gallopers and trotters. So much debate these days centres around the relative wealth or lack of it in each of the codes. I can vividly recall seeing my father return from one race meeting with what I thought as a nine or 10-year-old was a huge sum of money. I commented that clearly gallopers in country towns were a wealthy pastime. He reminded me that the only person he knew in racing and trotting who made any money out of the industry was the man who used to sell him the hay. That is the one category that my friend the member for Greenough missed out when he gave us the litany of people.

Mr M.W. Trenorden: Nothing has changed.

Mr P.G. PENDAL: That sounded like the lament of a broken punter.

Against that background I had and continue to have a residual interest in trotting, perhaps going to a race meeting no more than once a year as a casual punter and observer. Earlier this year I was approached by the Western Australian Trotting Association. As a result, I had the intention of moving two substantial amendments, one of which of course has now been agreed to by the Government and relates to the make-up of the new statutory authority. That matter has involved some considerable controversy in the past six to eight weeks because of the involvement of some well-known consultants and lobbyists. Nevertheless, I undertook with the WATA to pursue those two amendments, the first relating to the make-up of the new authority and the second relating to the distribution of the funds.

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With the first amendment having been taken care of, I have circulated an amendment that unashamedly is the position of the WATA. That amendment will effectively seek to amend clause 105 and delete clause 106. For the sake of succinctness, the WATA has summarised its position. I can do no better than to quote from Garry Scott, its president, who said -

“Trotting’s major concern is that the Government has yet to agree to have the current TAB distribution formula translated into the new legislation.

We have heard - at least while I have been in the Chamber - the member for Dawesville refer to that. The WATA president goes on to say -

“The RWWA Bill proposes a two stage process which permits RWWA to transfer the proportion of TAB funding above \$50 million from one code to another from 1<sup>st</sup> August 2003. Then from 31<sup>st</sup> July 2005 there is no complete and proper formula at all prescribed in the legislation.

“We understand that there have been some other changes by the Minister to improve the prudential control of TAB funding, but those changes do not meet trotting’s requirement to have the Western Australian Parliament approve of any revised funding formula which may be recommended by the new RWWA Board.

The bottom line of the WATA’s concerns is that the process be transparent and provide for accountability at all levels. It has made no secret of the fact that it is aware of remarks made by the minister around August of last year that have given rise to a number of fears on its part that its code ultimately will be the victim. The WATA sees a real sense of security in ensuring that Parliament retains that oversight. I know one argument is that we do not bother Parliament with detail. We seem to manage that with many, many pieces of legislation going through this place. Certainly the WATA regards the retention of the formula within parliamentary oversight as absolutely critical to its outcomes and even, if necessary, its survival. The bottom line of its statement has been that the trotting industry is not opposed to change in the distribution formula, but believes that Parliament must retain the right of the final stamp of approval. My circulated amendments will reflect that. At the appropriate time I will seek to amend clause 105 and delete clause 106.

This is not of direct relevance to this Bill, but I am one who occasionally goes to the annual Toodyay race meeting. There is a great sense of sadness among country people about what will happen to the so-called picnic racing days or exhibition days, albeit that they are run on a modest scale, because they seem to be receding all the time. Other members in the Chamber can speak far more competently than I. I have no doubt that the Leader of the National Party will be putting an oar in the water for country racing and trotting, including those very small clubs. The new authority has a responsibility. It has been given enormous powers by this Parliament to enable it to look at the big picture. I believe that the new authority has an obligation to look at the small picture. It certainly causes me some sadness to see the lack of support for a place like the Toodyay Race Club from the parent body in Western Australia.

The annual Toodyay race day is not just a race day for Toodyay but is a one of the eight or 10 major - I use the word “major” advisedly - cultural and sporting events for Toodyay. The member for Avon would know far more about that than I do, but I know enough to know the impact of that day on that tiny town. Anyone who would like to go down the main street of Toodyay at this very moment would see that it is one of the few country towns that is actually growing and has building work in progress. Most of that building work is to cater for the casual tourist traffic from the metropolitan area. An integral part of the attraction of the Avon Valley and a town like Toodyay, even if people go there only once a year, is the annual race meeting. Were anything to happen to permanently jeopardise that race meeting, there would be a price to pay politically by the people who presided over that. I do no more than make a request that while RWWA is looking at the big picture it look also at the small picture. In the meantime I signal my hope that the House will look with some favour on the amendment that I will be moving to clauses 105 and 106.

**MR M.W. TRENORDEN** (Avon - Leader of the National Party) [5.21 pm]: The National Party welcomes these racing Bills. We acknowledge that the restructuring of the racing industry in Western Australia is long overdue. Racing codes over the decades have been hampered by infighting and strong vested interests. In 1996 the Totalisator Agency Board was restructured to prevent the codes from fighting about the distribution to the racing codes. As a member of the Public Accounts Committee at that time, I played a part in preparing the committee’s report on that matter, as did the member for Murdoch and a number of other members in this Chamber. Those members will remember well how important we believed it was to make the TAB aware of its responsibility to raise as much money as possible, even though the codes were clashing with each other about



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their own sectional interests. As a result, code members were removed from the TAB board to allow the TAB to generate the best possible income for distribution to the industry, which was obviously all the three codes.

There are a few issues in the Racing and Wagering Western Australia Bill that we must get right to ensure that the Bill is successful and the industry has a prosperous future. The National Party proposes to move a few amendments to the Bill. Those amendments will be no surprise to the minister in charge of the Bill - the Minister for Racing and Gaming - or the people who have been assisting with the Bill, because they have been well signalled with the minister and have been well run in the industry. The first amendment relates to the fact that in order for Racing and Wagering Western Australia to succeed, it is essential that no one code or individual has control of or is able to dominate the board. The Minister for Racing and Gaming in the other place will know very well that that is the main paranoia in all sections of the industry, including metropolitan racing. I congratulate the Minister for Racing and Gaming for bringing this Bill forward, but the important issue is that at the end of the current process we must make a clean break and start with a new image. A range of people are relying on that important aspect. I hope the Leader of the House and the minister in charge of the Bill will have a good look at the amendments that we propose, because they are a genuine effort to ensure that the board has a new image and has the confidence of the people not only in the industry but also throughout the State.

I am sad to say that the industry does not have the confidence of the people of Western Australia. I often say to people in the industry who argue with me that if I were to go down the main street of Northam and ask people, "If more money were to be given to either a particular racing club or a particular primary school, which one do you think should win?", they would say nearly every time, and the people in this and the other Chamber would say nearly every time, that the primary school should win. That is because some of the very public brawls that have occurred between some of the vested interests in the racing industry over the decades have lowered the image of racing. We hope this Bill will be a new start for the industry.

With regard to the board of RWWA, the National Party will be proposing an amendment that one of the two thoroughbred racing people comes from the country and one of the two trotting people comes from the country. Obviously the one person from the dogs will come from -

Mr M.P. Whitely: What do you see as the country?

Mr M.W. TRENORDEN: We have negotiated with the minister about the amendment to have a country representative. We are not stuck on the issue of the individual, but we will need to have a definition, and we will want a person who will represent those smaller interests. If the member can come up with a better amendment, I will be happy for him to do that, because we need to make sure these people are representative. The Minister for Racing and Gaming will know that the trots are split nearly 50-50 between metropolitan and country, whereas the thoroughbreds have a far greater split in favour of the metropolitan area, I think of about 70 per cent; nevertheless, there is a strong component from the country. We are seeking to have this amendment accepted because there is a long history, particularly in the Western Australian Turf Club, of the city clubs battling the country clubs. The trotting clubs have a better history than the turf clubs. It is a long history, and I do not have time to go into it now, but it is well documented. It goes back as far as the 1980s, when Hon Mick Gayfer in another place attempted to bring in a Bill to deal with the fights that were occurring at that time, and even earlier. Struggles have dominated the industry over the decades. The intra-code distribution of 28.09 per cent that under this Bill shall be allocated to the provincial racing clubs is another reflection of the very strong disputes that occurred between the Western Australian Turf Club and the country clubs. The Bill that Hon Mick Gayfer wished to introduce would have given protection to country clubs. I am very pleased that the majority of people are saying to me that the new board will give them that protection. That is why I am asking the Leader of the House and the minister in the other place to consider the amendments that will come forward, because we want to make sure that this new body is a clean start.

One of the reasons we are keen to have country representation on the board of RWWA is that city people tend not to understand the issues that are unique to the regions and to country clubs. One of those issues is voluntary effort. I do not know of one club outside of Perth that exists without having substantial voluntary effort. The York Trotting Club is a 100 per cent voluntary effort. The reason it is able to operate within its budget is that it is voluntary. The worst clubs in Western Australia in not returning the full amount of distribution to racing activity are Ascot and Belmont. The reason is that all their people are paid workers rather than volunteers. We want the differences between country and city clubs to be recognised - I know the minister recognises them - in this debate so that country people can bring their expertise to the board.

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Mr P.W. Andrews: You have made a very good point. There is a conflict between the country and the city clubs, but do you not think that by specifically allocating a representative from country trots and city trots that may be a problem and the board may not function as a true representation of the industry?

Mr M.W. TRENORDEN: I agree that that has been the history. We want people of good intent who have good knowledge of the area that they come from. I would not expect a country person to be elected to the board just to fight for country issues, but I would expect that person to bring his knowledge and expertise to the board, because his knowledge and expertise would be different from that of other people. I would not condone - in fact, I would be horrified if it were the case - the vested interests being continued through these Bills. I will refer to that point a little later in my speech.

The ACTING SPEAKER (Ms K. Hodson-Thomas): Order! I remind members that it is highly inappropriate to walk between the Chair and the member on his feet.

Mr M.W. TRENORDEN: We are pleased that the Government has agreed to accept the National Party position; namely, that one of the four board members must come from the country. The amendment does not suggest that it should be a racing person, but a person with expertise in the regions. That person will have an understanding about where and why the money is to be spent.

The second concern is the eligibility criteria for the director or any member of the selection panel. I will run out of time, so I will skip over some matters I planned to mention. It is fundamental to the integrity of the board to ensure that the four board members are appointed for their expertise. The National Party will move an amendment that one of the four people with special expertise will not have been a member of a committee, racing club or an eligible body for the preceding two years. This will demonstrate clearly to everyone in Western Australia that people will bring an expertise to the board not related to the old fights and factions of the codes. The responsible minister might have some passion for that proposal and give it a serious look. It would ease the concern raised by the member for South Perth about the fairness of the board.

The third issue is the allocation of funds after 31 July 2005. This has caused considerable concern, particularly with the WA Trotting Association. I have some compassion for the argument put forward by the member for South Perth. Perhaps the minister could carry the arguments heard in interjections from my left. I believe in the Thomas Becket theory: when we put these people on the board, they will do their best to carry out their functions. I want the board to be balanced in its available skills.

When referring to concern among the codes, I refer to a summary of Totalisator Agency Board turnover for February 2003. Interestingly, Western Australian metro racing was 10.8 per cent of TAB turnover in that period; country racing was 4.8 per cent; metro trots was 3.7 per cent; country trots, 2.1 per cent; metro dogs was nearly two per cent; and country dogs was also nearly two per cent. My point in my interjections on the member for Kalgoorlie was that nobody in Western Australian dominates the industry. The industry is dominated by that 75 per cent of turnover that is not earned by any Western Australian club. Unfortunately, that has been at the centre of the fights in the past.

Mr J.B. D'Orazio: That is not the point; the point is that it is still racing -

Mr M.W. TRENORDEN: No. If the member could give me a little time, I will get to that point later in my speech. If the member attends a TAB agency on a Saturday morning, he will find the place packed between 10.00 am and 1.00 pm. The TAB has taken over from the pub on Friday nights as the place to go to be social. It is mostly attended by men - few women are found there - mostly of the hair colour of the minister, me or the member for Wagin. People socialise. They put their money out at that time. It is not really anything to do with the codes. Many reports outline that precise point. If all dog races were listed on the wall at the TAB, all the money would go to the dogs. That is a fact. I will not argue with the member for Ballajura on that point.

The biggest contributor to the TAB is Ascot and Belmont - in February, it was obviously Ascot - with just under 11 per cent of the industry turnover. What happens in the eastern States with trots, dogs or gallopers has nothing to do with the Western Australian codes. Therefore, the 75 per cent of the turnover that people have fought over is the pool that the board must administer with equity. That money is generated on what is happening on the day concerned. The codes' race line-ups are up on the TAB wall on the day. Regardless of whether it is gallops, dogs or trots, that is where the money is generated. All the money should be generated for the industry, not for particular codes. If we cannot get away from the old arguments, the entire board concept is doomed.

It should be recognised, as it is in the eastern States and other countries, that the clubs with certain disabilities - namely, those that race in winter, on Mondays or Tuesdays or in the mornings as is the case with some dog meetings - should receive recognition of the disadvantage in their allocation from the 75 per cent of turnover

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pool. That 75 per cent was not earned by any Western Australian code, yet it is the backbone to keep the codes operating. That aspect must be looked at by the new board. The distribution of funds after the date of the inception of the board will be important in keeping the three codes viable. We applaud the fact those words are found in the legislation.

The National Party also welcomes the payments being made directly to clubs based on earnings rather than through the main industry bodies. That is an important change and will see a lot of improvement in the industry. Each club, be it Ascot, Gloucester Park or Cue, will be paid relative to its performance. The clubs' loads will be lightened when their allocations are based on their performance. It will foster a business ethic in the clubs and encourage them to find new ways to appeal to their customer base and pull money into their market.

The integrity and savvy of the strategic development plan and the statement of corporate intent is another important part of the Bill. The National Party is pleased that the legislation will draw the Auditor General and the Financial Administration and Audit Act into the industry. Therefore, the new body will be audited on not only financial dealings, but also performance. In auditing the performance, the development plan of the code and the statement of corporate intent will send clear messages to the board about where the money should be spent and where development should occur. This will be audited by the Auditor General. This will be a major and important change in this legislation. Clause 18 states -

- (1) When performing a function under this Act a director is to put the interests of RWWA ahead of the interests of any body that nominated the director.

A plan is to be put in place to be audited by the Auditor General. A clear accountability process will exist in the industry for the first time. The National Party believes that the old infighting will not be tolerated under the new legislation, for which I congratulate the minister.

Western Australia is the last State to remove the principal club concept; the fact that the system has operated for so long has damaged the Western Australian industry. The principal club issue meant that the people at Ascot, Gloucester Park or Cannington, for example, were running their own clubs and were also running the industry, so there was a direct conflict of interest.

I now refer to the comments of the member for Perth. I went to the Toodyay races when it had only one meeting left. I cannot remember the year, but it was within the past five years, and it was estimated that 10 000 people turned up at the Toodyay Cup. About 3 000 of them went away because they could not be facilitated; therefore, about 8 000 people attended that meeting. On the same day Ascot did not get 2 000 people on course. Ascot keeps going and Toodyay is shut down! That followed the actions of the Western Australian Turf Club because of the pressure to keep the stakes up and the system going in the metropolitan area. The Turf Club clearly had a vested interest. There are other examples of this within the Western Australian Trotting Association, and the Northam greyhounds argued the same about Cannington greyhounds only a few days ago. As the member for Dawesville said, I am one of the few people in this House with all three codes operating in my electorate. I am also pleased to announce that Avon Racing has been formed and all the clubs in the Avon district - racing, trotting and dogs - are in the one club, which is a significant event.

I will embarrass a couple of people for a couple of minutes. I pay tribute to Bill Quin. In the early 1990s Bill Quin released a report, which unfortunately was about racing only because of the infighting of the day, and it was a substantial report. Mr Quin, who is not involved in the current debate, can take a lot of satisfaction from this legislation because it mirrors many of the issues he raised at the time. His report was very good. I will also embarrass the person sitting behind me, Barry Sargeant, who has been a very capable administrator over a long time, under four ministers I can think of. He had the interests of the codes at heart. I also acknowledge an old colleague of mine, Hon Tom McNeil, who has been chairman of the Racecourse Development Trust and has conducted himself in a very fair manner over something like a decade. Some good people have assisted in the formation of this legislation and the history leading up to it. They should not pass unnoticed. I have not spoken about the many people who are involved in the different codes, but I do not have time today.

The member for Kalgoorlie referred to the setting up of the Totalisator Agency Board. I will not argue about that - it is a matter of fact - but the sad part is that the TAB was set up under statute, which meant that all the funds raised by the TAB were public funds. Over the years the codes have believed that they owned that money, because they made the original investment but, as the member for Kalgoorlie said, they have forgotten that their capital input was promptly paid back by the TAB.

Mr M.J. Birney interjected.

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Mr M.W. TRENORDEN: But that was in the 1960s, not the 1970s. We cannot change the facts. The money raised by the TAB is covered by public statute. No-one in this State, other than the racing codes, has so much money with so little accountability. This legislation will change that.

The TAB has had many issues over the years, and one related to an earlier interjection about when and how the money is generated, the percentages allocated to the codes, what cards are on the wall and who bets on what. The reality is that often the percentages quoted by clubs are nonsense. If the TAB decided to put all the cards for dogs on the walls, the dogs would get 100 per cent of nothing.

Mr J.B. D'Orazio: Absolute nonsense.

Mr M.W. TRENORDEN: It is a fact. I have been in and around this industry for a long time.

Mr J.B. D'Orazio: So have I.

Mr M.W. TRENORDEN: I am not going to get involved in that "show me yours and I'll show you mine" argument.

Mr J.B. D'Orazio: I wouldn't want that to happen in the House.

Mr M.W. TRENORDEN: Maybe I would lose the argument fairly substantially.

The ACTING SPEAKER (Ms K. Hodson-Thomas): Order, members!

Mr M.W. TRENORDEN: I suggest we would not want it to happen full stop.

The cost of technology is a very important point for the TAB. Another constant irritation that is rarely raised is the return of money to the punter. That is an important issue, because the TABs have very serious competitors and we do not know how those competitors will be controlled in the years to come. The TAB of the future may have a different take, because other organisations - instead of taking 12 per cent of the turnover - are taking something like four or five per cent. The Vanuatu issue of some years ago has not gone away. The other issue referred to was the state take. When the appropriate legislation is introduced, we will be seeking to amend the Racing and Wagering Western Australia Tax Bill 2003 to give 0.5 per cent to the racing industry, because the industry should be rewarded for accepting this substantial change. In my guesstimation, that will amount to \$4.2 million that the State will forgo.

Mr J.J.M. Bowler: About \$4.5 million.

Mr M.W. TRENORDEN: The codes have accepted very substantial change and it would be prudent to reward them a further 0.5 per cent over and above what the Government did two years ago.

Mr J.J.M. Bowler interjected.

Mr M.W. TRENORDEN: I recognise that. It is good to reward people who do the right thing, and \$4.5 million would go down well in the industry in rural areas.

There are a lot of industry issues. The capacity to bet overseas will be a major issue confronting this new board, and we will need very focused people and people with good skills to battle the commercial realities that will forever be raised. We must also concede the sad situation of the TAB: it has been the strength of the industry, but it has also been the curse of the industry. The TAB became the heroine of the racing industry. About a decade ago the Turf Club did not want people on course because when people are on course they have to be fed, watered and policed, and it was better to just pick up the money from the TAB and forget about the rest of it. When that happens, generations of the industry are removed. Those members who go into the TABs will notice that the hair colour of the people in them is similar to that of the three people I pointed out before.

The youth of today is not as involved in this vital industry as it was a decade or two ago. These are pretty nonsensical figures, but people quote this as being the fourth or fifth biggest industry in Western Australia. I do not know exactly where the industry stands, but it is a substantial industry and a strong employer of Western Australians. Therefore it should focus on making sure these issues are kept to the fore.

Unfortunately, one day places like Belmont will not be available for horseracing, for two reasons: first, it will be very difficult to run horses on land that is worth \$1 million or \$2 million -

Mr J.B. D'Orazio interjected.

Mr M.W. TRENORDEN: No. People will be forced away from those places because of capital costs. Secondly, when fish are killed in the Swan River - which the Turf Club was responsible for a few years ago - the compensation will be very costly. Some people suggest that Lark Hill will be the saviour, but Lark Hill is a

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decade or two away from being in the same position. People should be appointed to this board who will pitch their vision beyond the short or medium term, to ensure capital is put into the appropriate places so that the industry remains healthy in the long term.

I knew many people who were breeding standard-bred horses and gallopers. I did not know anyone who bred dogs in those days because it was not an industry then. However, those people kept those animals because they had a passion for the industry. They did not die out of the industry; they were forced out of the industry. It is foolish for any industry to push people away from participation. York has the oldest racecourse in Western Australia - it is a magnificent racecourse - called the York-Beverley Turf Club. Now only one person from Beverley goes to that club. If Toodyay Race Club is shut down, no-one from Toodyay will be involved in racing any more. The industry is being killed off at the edges, which is sad.

The National Party is looking forward to the formation of Racing and Wagering Western Australia. We are pleased that this Government took the initiative and drafted this legislation. I would have liked it to have been around some time ago. The National Party will move the amendments on the Notice Paper because it believes they are important initiatives. If they are not passed in this place, we will move them in the other place. This is an important Bill. As members opposite have said, there are many incorrect perceptions about this industry. We must concentrate on the realities of this industry, kill off some of the incorrect perceptions and the vested interests, and ensure we establish a viable racing industry into the future.

**MR J.B. D'ORAZIO** (Ballajura) [5.53 pm]: I am a horse owner from way back. At one stage I had 10 horses and I have been involved in the industry for a long time.

An opposition member interjected.

Mr J.B. D'ORAZIO: I can tell members some bad luck stories but I will not touch on them tonight. Today is a special day. If someone had said to me three or four years ago that one authority would control the three codes in this State, I would have said that they were from a different planet, because the codes have always been at loggerheads with each other. I note the support for the Bill from the other side of the House. We should strongly support this Bill. It is a great achievement and a credit to the minister and the various codes that have made it work. What worries me when I hear some members talk today is that the same vested interests that have created the problems in the industry over the years are being reiterated in this debate. Members have talked about the number of industry representatives on the board and how that might disadvantage the industry. Some members have said that straightjackets will be needed when the board determines how the money will be distributed. These are the issues that have created problems for this industry in the past. We do not want that to happen again. The reason this legislation is so good is that it will create an independent authority that will oversee the whole of racing. It will make decisions whereby the very narrow interests of one industry group will not be allowed to dominate the industry, and that is not before time. A number of decisions have been made in the past that have been to the detriment of racing and the other codes.

Mr M.W. Trenorden: There have been hundreds.

Mr J.B. D'ORAZIO: Exactly. The member said that it is all about the money that local clubs generate. Something changed a few years ago when combined pools were created for betting. I was one of those people who was part of that change, and it meant that people did not go to the races to have a bet. I never used to bet on eastern State horses at the Totalisator Agency Board because only a couple of hundred or a thousand dollars would be in the pool. If one wanted to have a substantial bet, the return would be so ridiculous that it would not be worth bothering about. I knew people who would go to the races and bet with the bookmakers because they knew what their returns would be. Since combined pools have been created, the pools have become so large that they now generate a return that is more than acceptable. On most occasions a person can get a better return from a combined pool bet than from betting with the bookmakers at the course. Therefore, it is vital that we consider the amount of money generated from the industry. That does not necessarily mean that we must worry about how it is split up among the various codes. I do not want to see an artificial formula legislated by Parliament - no disrespect to members, but most of them do not know what they are talking about when it comes to racing codes. It is important that we have an independent group that has the best interests of racing, trotting and greyhounds at heart and can make decisions that will be of benefit to the community.

No-one has talked about the owners. As a past racehorse owner, I indicate that I got out of the industry because there was no way that I could continue to own a racehorse and get any sort of return. At one stage, a trainer suggested to me that I take my horses to Melbourne. Running them in country Victoria would give a better return than winning metropolitan races in Perth. That is a disgrace. Why is that happening? The member for Avon talked about betting and how it has changed etc. The reason is that if a person lays a bet on a Saturday

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meeting in the eastern States, he can bet on classes of horses that do not exist in Western Australia. In Perth there is always a pile of maiden horses in a race and they are not attractive to bet on. Therefore, the product must be improved. However, this not only affects the races but also the trots and the greyhounds. In the end, what makes people want to invest in and buy horses and be involved in the industry is a good return and a quality product, and, more importantly, the knowledge that the industry is reviewing itself and making decisions that will improve the situation for those involved. A huge number of people involved in the racing, trotting and greyhound industry work tirelessly - hours that members would not believe - for minimal returns. We must ensure that the industry is protected into the future and that the decisions that are made are for the benefit of the industry, and not necessarily of the codes.

I do not profess to be an expert on this matter. However, I hope that this legislation will create a body of people who have far more knowledge than I or other members in this place will ever have, and that they will make decisions that are in the best interests of the racing industry. It is unimportant whether there is one or three representatives on the board or whether they are from the country or the metropolitan area. In the end we need people who will make recommendations and decisions that will benefit all aspects of the industry so that the product and returns improve; therefore, the ability to put money back into the industry will be greater. If money is not put back into the industry, the owners and trainers who make the industry work will not be supported. It is not the administrators or the racing clubs but the little people - the trainers, handlers and owners - who make things happen. It is far more expensive to buy a racehorse than it is to buy a trotter, and the returns are not there, which makes it very difficult. Therefore, we must increase the stakes and improve the product so there is an increase in turnover. Then we can hold more group 1 races in Perth and we can avoid becoming the third, fourth or fifth relation of whatever code we are talking about. It is important that we promote the industry as a whole to make sure all the codes prosper. This legislation seeks to do that.

I ask members opposite not to put a straightjacket on this authority before it even starts. The problems with the industry in the past related to vested interests, the lobbying of various politicians and decisions being plucked out of thin air because they suited X, Y or Z. It is important that we have an independent group that is free to make decisions independent of political interference and individual clubs for the benefit of the whole industry, so that the people on the ground who are affected have some hope of surviving. At the moment all codes in the industry in Western Australia are going backwards; the greyhound code is probably the least of the problem. However, if one is an owner in the other two codes, it is very difficult to survive. It is important that this new body ensures that the industry is supported, that it prospers, and that whatever decisions are made are in the best interests of the overall product. The distribution of money will then take care of itself. It is important that a straightjacket is not put on this board and that vested interests are kept out of it. I do not care whether board members are from the country or the metropolitan region. It is important that they are interested in ensuring that the industry prospers for the benefit of the whole community.

I strongly endorse the Bill and, hopefully, members of the Opposition will not make any amendments that will put a straightjacket on the operation of the board. This Government's backbenchers have already lobbied the minister and got the extra representative from the trotting industry on the board, which was a great decision. I support the Bill and recommend it to the House. Well done to the minister!

*Sitting suspended from 6.00 to 7.00 pm*

**MR J.L. BRADSHAW** (Murray-Wellington) [7.00 pm]: I support the legislation, which will change the administration of the racing codes in Western Australia. I note with interest how some things have not changed over the years. I found in my office a copy of a report from a royal commission appointed to report on the suitability of laws relating to racing and trotting in Western Australia, which report was tabled in 1983. One of its recommendations was to establish a racing advisory committee comprising a chairman and two other members appointed by the Governor. The recommendation probably does not differ much from the intent of this legislation, which is to establish a board to run the racing, trotting and greyhound industries in Western Australia. It is very unfortunate that throughout the years following that report the codes have pleaded that they are in dire straits and in need of financial assistance. Although that report was tabled 20 years ago, very little has changed in those years. The racing, trotting and greyhound industries are very important. They are not considered in general terms as a large employment group. However, if we were to analyse the number of people involved in those industries it would be obvious that it is an important section of the work force in not only Western Australia but also Australia. It is therefore important that we ensure that the racing, trotting and greyhound industries continue to be fruitful and do not fall by the wayside. As I said, they represent a very important industry that affects many people throughout the community such as feed merchants, veterinary surgeons, trainers, jockeys, harness drivers etc. I am sure many other people are also affected by it. It is a very

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important industry that provides entertainment and does much for the social life of many people in Western Australia.

I have a problem with the composition of the proposed Racing and Wagering Western Australia board. The Government proposes that five business people will be involved in running the board: two from racing, two from trotting and one from greyhounds. Boards should be established to oversee impartially the operation of the codes in Western Australia. Like that of many other people, my concern is that a five-five composition will negate the necessary objectivity. People who represent the racing, trotting or greyhound industries have emotional involvement in them, which will cause them to consider issues from their particular view. It is therefore more important for members to bring a business viewpoint to RWWA. The industry has been suffering for many years. Not enough money is spent on it and not enough people attend race meetings these days. We should work out how we can change that. I am not sure how RWWA will make the codes more viable; nonetheless, that is the purpose of these changes. The codes are very important to our work force, our social needs and our entertainment.

We must move away from allowing RWWA to be influenced by the people involved in the codes. It must be established so that business opportunities are explored and its decisions are made in a businesslike way rather than being influenced by the codes themselves. However, people from the three codes should be appointed to RWWA if only to provide guidance, because people not involved in the industry could in their ignorance make decisions that impact adversely on the codes. RWWA should comprise one representative from each code rather than two, plus two, plus one. I do not know whether the Government will agree to that; nonetheless, I think an amendment will be moved to provide for one, plus one, plus one code representative. If that amendment is not accepted, then as the member for Avon said, each code should be represented, as should the racing fraternity in the country and the city. Unfortunately, many people who live in the city are centralists and do not think outside the city parameters. I have frequently said that development commissions should be taken out of regional centres and established in country towns. However, no-one has taken my advice. Centralised bodies tend to focus on only the small areas surrounding them; they forget other areas because if an area is out of sight it is out of mind. It is important that the board have a representative who will consider issues affecting country race tracks and clubs, because they are very important. The more people involved in the industries the greater the flow-on effect. When people own a racehorse they get all their friends and relatives to see the horse race. In the same way they encourage people to watch greyhound races. It is important that as many people as possible are involved and that the codes are viable. I suppose that is why moves have been made over the years to rationalise the system and close some of the clubs in Western Australia. That would be a step in the wrong direction because the more people involved, the greater the flow on.

As a result of this legislation people involved in the trotting industry are feeling very vulnerable. In the 1980s, when changes were made to the ratio of distribution of the TAB funds from 60-40 to 70-30, it was a major change to the trotting industry, which involved many millions of dollars. The people involved felt under threat. Let us face it, if money is taken out of one code and given to another, the one missing out will wither. People will not receive the same financial returns and trainers will have to reduce their charges. As a result that side of the industry will suffer. In the 1980s it was very unfair to change the distribution ratio from 60-40 to 70-30, albeit it has settled down at 65-35. We all agree, however, that that ratio should remain.

As I said, members of the industry are feeling very vulnerable because of this legislation. I would like to see the \$50 million cap remain with the present distribution ratio. That will allow the codes to feel some certainty about their funding for the next few years. It will allow RWWA to have discretion for distributing funds above the \$50 million, which, in the short term, will amount to a considerable sum of money. Given the way this legislation has been handled and the Government's performance, members of the industry do not believe they will be on the winning side if the board is given a free rein. We must wait and see how RWWA members perform and what they recommend. As I said, they must have some discretion in distributing funds to ensure the success of the codes.

The member for Dawesville read out a letter that gave a bit of the history of the Pinjarra Trotting Club and how Roy Adam distributed the funds the club received from the Totalisator Agency Board. Roy Adam has been a great supporter of the pacing industry. He was very involved with the Pinjarra Trotting Club as the president and has been a committee member for many years. He is presently the vice patron of that organisation. He has also been in the breeding industry. He bred a horse called Preux Chevalier, which was a champion of trotting in Western Australia. He has therefore been very involved in the industry. The letter he wrote to the Premier laid out the history of how the TAB was established, how the funds were distributed and how the trots in its initial days looked after and helped out the racing industry. However, things have changed and racing is now the

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dominant betting code in Western Australia - probably Australia - and it believes it should get more of the distribution. However, we must be fair. We must ensure that all the codes continue to be viable and that we do not go down that track.

An interesting aspect is that way back Ron Gallop, the Premier's Uncle Ron, was a great supporter of the Pinjarra Trotting Club and trotting in Western Australia. I was fortunate enough to know Ron Gallop who has, unfortunately, passed on. I am sure that if he were around today he would be lobbying the Premier very hard and telling him that he must look after all the codes, not just one code. The Government should take notice of that and not go down the track of putting more money into one code rather than another.

I understand that it is difficult to make ends meet. For some reason, organisations in the past 20 to 30 years were run with less money, whereas these days there is much more pressure on organisations to provide funds to run them. Governments have a similar problem: all the time they appear to need more and more money. It is unfortunate, but it is a fact of life.

Prior to the last election the Government made a commitment to give another one per cent of the betting tax to racing, trotting and greyhounds. It would be interesting to read the policy again, as I am unsure of its wording. However, the racing industry had the perception that betting tax would reduce from five per cent to four per cent. Instead of doing that, the Government went down the route of leaving the betting tax at five per cent and gave the industry a rebate of 0.5 per cent. The betting tax had not changed since 1992 or 1993, when legislation was passed in the House reducing it from six per cent to five per cent. However, similar legislation for the 0.5 per cent rebate was never introduced into this House. I want to know why the industry is stuck with a rebate of 0.5 per cent and what happened to the other 0.5 per cent. It would be interesting to find out why the tax was not reduced by one per cent because before the last election the various codes had a perception that the Government - the then Opposition - would do that. As I said, no legislation came into this place. I am considering an amendment to this legislation to reduce the tax to four per cent. I have to work out how to introduce that amendment and, unfortunately, it will not be available until tomorrow. I would be interested to hear from the minister handling the Bill why there has not been a legislative amendment, as opposed to giving the industry a rebate.

Another problem with the legislation is that we are dealing with public money. It is not private money; it belongs to the people of Western Australia and is provided to the industry through the Totalisator Agency Board. This legislation will establish an organisation that will not be accountable to the Parliament; that is wrong. Any changes that are made by the new board should come into the Parliament for ratification. Under this legislation the board will be able to do whatever it wants and the Parliament will not have an opportunity to challenge it on how it is spending its money. It could have parties every Friday or Saturday night, go on trips around the world or spend the money from the TAB distribution without accountability instead of putting it into the industry. It is important that the Parliament of Western Australia not lose control of the accountability of the board to be established by this Bill. It is a good thing that an independent board will be established so that it can work out the best way of directing trotting, racing and greyhounds in Western Australia, but it should also be accountable to the Parliament. There will be no accountability if the board is implemented in the way I read the legislation. The Parliament will not be able to ask the board during estimates committees why it did certain things, where its money went and so on. It is very important when public money is involved that the Parliament can ensure that someone is accountable for that money. However, if the board is not public and accountable, the Parliament will be unable to know where the money went or whether board members have had a good time with it or otherwise wasted it. Parliament should have a say also on where the money goes. By setting up the board the Government might believe the industry will be taken out of the political arena; however, I assure the Government that will not be the case. If one code believes it is being disadvantaged by changes proposed by the board, the people representing that code will come to me and other members of the House wanting to know why the board is making those changes. The legislation will therefore not take the industry out of the political arena. It is important that accountability remain with the Parliament.

In summary, I believe firstly that representation from the three codes should be on a ratio of 1:1:1, not 2:2:1 as proposed. I am not sure why the Government went down the track of 2:2:1 representation. The Government's theory is sound; that is, to set up an independent board to run racing, trotting and greyhounds in Western Australia, to give the industry direction and to handle matters without emotion and without being selective. However, it is wrong to have a ratio of 5:5. It is important that the ratio change from 2:2:1 to 1:1:1 with another five independent people who have expertise in various disciplines such as accountancy, information technology, business management and so on, as opposed to what is proposed in the legislation. I also throw accountability back in, because it is very important. The Government is going in the right direction. It remains to be seen



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whether the trotting and greyhound industries will be booming in 10 years. However, things need to change. Back in 1983 a royal commission tried to find out what was going wrong. Nothing has really been done since then. I support the Bill, but I would like certain changes to be made.

**MR J.J.M. BOWLER** (Eyre) [7.20 pm]: I support this Bill and most of the comments made by the speakers who came before me. As a punter, a former bookie's clerk -

Mr M.P. Whitely: A mug punter

Mr J.J.M. BOWLER: Yes, a mug punter. I was a better bookie's clerk. I have more recently been a racehorse owner, so I have had a long involvement with the racing industry. In fact, I grew up opposite the Kalgoorlie-Boulder racecourse. Many were the days that Ian Taylor and I wandered onto the course as young boys and had a little bet if we had some spare money.

Mr D.A. Templeman: I thought you were born under the grandstand.

Mr J.J.M. BOWLER: No, but I still live there. This legislation is long overdue. I praise the previous Liberal Government for initiating the review that led to this legislation. Sadly, the racing, pacing and chasing industries are still not in good shape, despite the fact that our Government put an extra \$4.5 million a year into the industry's coffers when it reduced the tax from five per cent to 4.5 per cent.

Mr J.L. Bradshaw: It did not reduce the tax.

Mr J.J.M. BOWLER: It is being pedantic to argue about whether we reduced it from five per cent to 4.5 per cent or gave the industry a rebate.

Mr J.L. Bradshaw: It is still there. They are given a rebate.

Mr J.J.M. BOWLER: The industry gets another \$4.5 million every year.

Mr J.L. Bradshaw: For how long?

Mr J.J.M. BOWLER: For as long as we are in government, so they should keep voting for us. The previous Government could easily have promised the same thing, but it refused to do so. Even though this Government has given the industry \$4.5 million, I suspect that many in the industry believe that once the Racing and Wagering Western Australia board has bedded down and made the necessary changes, in time the Government will again be asked to put its hand into its pocket and perhaps reduce the figure even further, as the member for Murray-Wellington previously alluded.

The Western Australian racing and pacing industries are not going well. I am not too sure about the chasing industry; that is, the greyhound industry. Trainers are leaving the industry and moving to the eastern States, which is not a good sign. No doubt many in the industry hold out high hopes for the new board that the Government is establishing, and the new structure. Hopefully, the tax cuts that I have said may be necessary may not be necessary if this new board can do what we all hope it can do. No doubt in the past the three industries were run for their own secular purposes and without the good of the overall industry at heart, so they were not well run.

The member for Dawesville spoke proudly about the fact that the three codes - greyhounds, trots and gallops - operate in both his electorate and in the electorate of the Leader of the National Party. There are several gallops tracks in the goldfields, extending from Esperance, which is not in my electorate but is part of the goldfields racing scene, to Norseman, Kalgoorlie-Boulder, Leonora, Leinster and Laverton. Of course, in Kalgoorlie we have the Golden Mile Trotting Club. One thing I will say about the goldfields racing and trotting industries is that they are virtually the only ones in the State, outside Perth, that are self-supporting. Sadly, in many cases the meetings in Dawesville and Northam are nothing but de facto Perth meetings, to which the bookmakers, the stewards, 90 per cent of the punters, most of the trainers and all the officials drive from Perth. They basically travel to Northam and tracks in the south of the State and hold a Perth meeting. They do not go as far as the member for Albany's electorate, but go to other tracks close to Perth - the outer metropolitan area. That is not the case in the goldfields, where we have our own race callers, stewards, bookmakers, punters, jockeys and trainers. They are self-contained industries. In the trotting industry we have our own reinsman trainers. We are very proud of that fact.

Another proud fact that the goldfields can hang its hat on is that I believe the Kalgoorlie Boulder Racing Club is the only club in the State that puts back more than it gets from the Totalisator Agency Board distribution. Some clubs consume a fair percentage of every dollar they get from the TAB in administration and running costs. The Kalgoorlie Boulder Racing Club and the Golden Mile Trotting Club are self-sufficient. They raise a heap of

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sponsorship and do a lot of work, so that they are at the point at which they can put back more into the industry than they take out. Therefore, the Kalgoorlie Boulder Racing Club has a proud place in the Western Australian racing industry. It has not bludged on the TAB purse over the past three or four decades as have others in the industry.

No doubt, as a result of this legislation, the new controlling board will have the power to regulate and rationalise the three codes. I do not know what will happen in the future, but the clubs in the goldfields will be well supported by me because they have been self-sufficient. They have not relied on handouts but instead have put more back into the industry than they have received. One of the great supports for taking control away from the Western Australian Trotting Association and the Western Australian Turf Club is that the industry will now do what is best. As the member for Ballajura said, decisions will now be made that offer the best for those industries and their long-term future, rather than for short-term political purposes. I suppose that with the domination of the industry by the Western Australian Turf Club in the past, it was basically a case of Caesar judging Caesar. It was a turf club. It was a club within a structure, and it basically ran the industry. Of course, it would always look after itself first. I believe that in the past some country clubs, and particularly clubs such as Leinster, Laverton and Leonora, missed out because the WATC took far too much of the cake for its own purposes and did not put enough back into country racing.

One of the great things in goldfields racing is the annual round, which is an event I am very proud of. I try never to miss it. I missed last year's Kalgoorlie Cup for the first time since I was a young boy. I will not miss one again if I can help it. A friend once described it to me as kids having Christmas and adults in Western Australia having the racing round or the Kalgoorlie Cup. It is the best week in Western Australia. I know that the Perth Cup meeting is a bigger meeting as far as crowds go, but I have no doubt - the member for Kalgoorlie could probably support me here - that the Kalgoorlie Cup meeting is the best meeting in Western Australia as far as atmosphere goes. It has a great party atmosphere.

I believe that this legislation will protect those sorts of meetings so that clubs such as the Kalgoorlie Boulder Racing Club and the Golden Mile Trotting Club, which do the hard work, will be rewarded. At the end of the day, the clubs that have not done the work and have relied upon the TAB dollar will not be able to continue to do so. There will have to be rationalisation. I am glad to say that I do not think that this rationalisation will occur in my neck of the woods.

Finally, this year's Kalgoorlie Cup will be held on 13 September. If members are not doing anything else on that day, they should make sure that they are in Kalgoorlie-Boulder.

**MR D.A. TEMPLEMAN** (Mandurah) [7.28 pm]: I support the initiative. I was just telling the members for Roleystone and Eyre about a career I thought of entering many years ago - that of being a jockey. I am the right height.

Several members interjected.

**Mr D.A. TEMPLEMAN**: It was the second career I considered after considering being a boxer, but that did not take off either. I was very interested in horses, so I thought I might become a jockey. However, I must admit that after being introduced to a rather large horse -

**Mr R.F. Johnson**: Was it the back end in a pantomime?

**Mr D.A. TEMPLEMAN**: The member for Hillarys would have played the back end of a horse in a pantomime very well. He would be a very good back of a horse. One would not know which end was the front and which the back! I was introduced to a rather large horse. I must be honest, as I am an honest member: I was very upset and concerned about the horse, so I quickly gave up that career without even mounting the horse.

Several members interjected.

**Mr D.A. TEMPLEMAN**: I will not tell members the horse's name!

My very first job was to watch horses race around the Northam trotting track and record the order in which they came, which was a very important job. It took me a little while to work out that I could let the first five horses go past without recording their names, but I had to count the rest. The camera recorded the first five horses, but I had to make sure that I recorded the names of the last six or so horses.

I have some basis on which to speak on this issue, despite the interjections of a number of members this evening. It is clear that the Bill is way overdue. As has been explained by a very experienced punter, the member for Eyre, and other members this afternoon and this evening, this Bill is an important part of the structure to set up

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the racing, pacing and chasing industry into the future. Members who represent the Peel region have said that the chasing, racing and pacing industries are important to the local economy and culture. There is a long history of racing in the Peel region. I am sure that the member for Murray-Wellington would agree that the Shire of Murray and other shires that make up the Peel region have a long history of racing, particularly horse racing and trotting. I applaud the Government for introducing this Bill and I will support it.

**MR M.P. MURRAY** (Collie) [7.31 pm]: I support the Bill. It is a commonsense, no-nonsense Bill that represents the whole of the industry. The Bill probably started off being not very fair; however, it now has the right balance. Many people, mostly from the trotting industry rather than others that some members have touted, have made representations to me. The Collie Trotting Club has made strong representations. It has explained what is good for the region, what the trotting system provides and how much money it generates. Four meetings are held in Collie each year, and are all run by volunteers. The stewards, of course, come from Perth. I am not sure whether they sometimes stop in the pub on the way, but the horses on which I bet money do not seem to come at the front of the race.

The real issue is about being fair, which I think this Bill is. Some members have said that the trotting industry in the country areas is the poor man's race game, but I do not believe it. A 10 or 11-year-old horse from Collie called Shattering Class has earned over \$700 000. It might even race again. It now has a career as a stud horse. That horse was trained and bred in Collie. Over the years some good horses have been bred down there and have raced in the city. I know several semi-professionals in the region who are involved in the trotting industry.

Collie has a race club. The racing industry there expressed some concern to me about the representation of country racing clubs against the city turf club. Unfortunately, the Collie Race Club is in recess due to the replacement of the wooden running rail, which must be replaced with an aluminium rail. It is pretty hard for a small amateur club to raise funds for that type of renovation. This year the Collie Cup was held in Bunbury. I believe that generated some funds. I hope that is enough to get the Collie Race Club back up and running.

This Bill has been well thought out. I thank the Minister for Racing and Gaming, who visited Collie and addressed the concerns of the racing fraternity. He met with a cross-section of the community, which was good of him. He attended a trotting meeting before he met with the local committee people, the drivers, the trainers and a few punters who also had some concerns. The minister listened to the concerns of the people and then made an informed decision. As much as the member for Kalgoorlie does not like to think so, the country Labor Party banded together and had a cross-factional meeting -

Mr M.J. Birney: You should have disbanded over the one vote, one value legislation.

Mr M.P. MURRAY: The member should not worry about that; he still has a long way to go, and it will not be around a racetrack either.

The country Labor Party held a meeting, then spoke to the people and pooled its ideas. We believe that the industry will be better off as a result of the changes that are being made. I commend the Bill to the House.

**MR R.N. SWEETMAN** (Ningaloo) [7.35 pm]: Like the previous speakers, I will be brief. I lend my support to the Bill with a couple of qualifications. I will support amendments that the Opposition will move in this place during the committee stage. My first observation of the legislation is that it is worth a shot. Like many other members in this House, I have had a fairly long association with racing, particularly country racing. I am still a patron of the Carnarvon Race Club. A previous member in this place, Kevin Leahy, is still the chairman of the club. It has been a very successful club over the years. The club's rigid policy of ensuring that 100 per cent of the money from the Western Australian Turf Club goes to the stakes has proved to be a good policy because stake money attracts visiting horses. It also attracts people in town to form syndicates of a half a dozen to two dozen people to stable a horse in town and race it locally. Some visiting trainers come back from the northern and north west racing circuit. Many of them travel up the Great Northern Highway and take their horses to the later Broome meetings, if not to all of them, and then work their way back south through the other cup meetings. The involvement of those trainers adds a lot of interest and glamour to the country clubs as the trainers work their way back down south. No regional club would survive today on the WATC money if the office bearers, such as the clerks and administrative people, were paid from the money received by the WATC grant. All racing clubs exist on their volunteers. With the possible exception of Broome, I do not think any club above the 26th parallel would survive if it relied solely on the WATC grants. An enormous amount of work is involved in the running of those clubs, including hundreds of hours of work during the off season. An army of volunteers is needed to complete the race meeting dates.

**Extract from Hansard**  
[ASSEMBLY - Tuesday, 8 April 2003]  
p6356b-6381a

Mr John Kobelke; Mr Matt Birney; Mr Arthur Marshall; Mr Jeremy Edwards; Mr Phillip Pandal; Mr Max Trenorden; Acting Speaker; Mr John D'Orazio; Mr John Bradshaw; Mr John Bowler; Mr David Templeman; Mr Mick Murray; Mr Rod Sweetman; Mr Mike Board; Mr Martin Whitely; Mr Terry Waldron; Mr Paul Andrews; Mr Rob Johnson

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The last 1 200 metres of the Carnarvon racetrack was completed only on the weekend before last. Carnarvon now has a running rail that fully encloses the track. The chairman of the club, a dozen or so other volunteers and I helped do that. We pooled our resources and, because of good sponsorship and various fundraisers, we were able to buy the goods to complete that work. That has been completed before the first race meeting is held on Anzac Day, 25 April, this year.

I refer to racing at a state level. I will throw my weight behind this new controlling authority, which will look after not only horse racing, but also the trots and the greyhounds, as well as taking responsibility for the Totalisator Agency Board. There will still be only so much money to go around. Over the years, all the blues in racing, including the stand-offs between the racing, trotting and greyhound industries have been over money and how the cake is distributed. During a lecture, I once heard Paddy McGuinness talk about the cut and come again pudding. That is what the disputes have been about. There is only so much money. It does not matter how many times it is cut; it will go only so far.

I read the explanatory memorandum to the Bill. The authority has the potential to make more money if it is extremely careful and diligent and practices everything covered under the section that deals with racing industry governance and the TAB distribution. Although much of the section dealing with racing industry governance contains motherhood statements, it also contains some vital aspects. The authority is to undertake and manage industry strategic planning, promotion, marketing, sponsorship and administration. Sponsorship is absolutely vital. From time to time I get to listen to Racing Radio. It concerns me that on occasions all the races at Ascot or a meeting at Belmont are named after horses that raced some time in yesteryear - five, 10 or 15 years ago. That indicates to me, a layperson who is distant from the management of racing, that not enough is being done on the ground to attract sponsors for each of those races. Even the smallest sponsor makes a contribution to the sport. There is never a race meeting in Carnarvon that does not have a major sponsor. The sponsor's money does not go into topping up the stake money. It goes into the pool that pays for course improvements and similar things that take place during the season. I am anxious that many racing organisations - I suspect that this is particularly so in the city and the major regional or provincial centres - rely too much on their WATC grants and do not do enough in their own right to earn income from outside sources, particularly through sponsorship. Racing in Western Australia, particularly in the city, fell upon hard times after it lost the sponsorship of the tobacco companies. We used to have the Winfield Perth Cup and the Benson and Hedges Australian Derby. To give the State some credit, when that sponsorship was removed, the State helped out by having Healthway and other government organisations provide funding to try to fill the void. However, that could never compete with the type of money that a tobacco company could provide through sponsorship. Not only the tobacco companies provided sponsorship. BMW and Ford sponsored some of the major race meetings in this State. Western Australia used to hold the Australian Derby. It lost that over a decade ago to the east coast. They were very significant races. There were many characters in racing at that time. The general stake money was very high, and on par with that in the east coast. We no longer have tobacco sponsorship. I am not advocating the return of that sponsorship; however, there has been nothing to adequately fill the void in a State like Western Australia, which does not have the critical mass that the eastern States have. When BMW, Ford or Australian Associated Motor Insurers Ltd sponsor a meeting over east, they are sure they will get maximum exposure. They get enormous Australia-wide coverage through television broadcasts. They do not have to lift a finger to try to improve racing, trotting or greyhounds in this State. It is an unfortunate geographical fact that we are on the wrong side of Australia, particularly during daylight saving, when it comes to trying to maximise our opportunities through income from the Western Australian community; that is, from the proceeds from betting on country and metropolitan races, dogs and trots. The TABs normally open around 8.30 to 8.45 am Western Australian time. It is more convenient for punters to wager through the day than to go to the TAB at night and have a bet. They can have a relaxing day in which they catch up with mates at the TAB and have a few bets on whatever they want to bet on. As a result of this, most of the races on which bets are placed, and, therefore, most of the funds derived by the TAB, are held in the eastern States. I think the ratio of income from local and national wagering is about 25 to 75. The amount of money that is invested on eastern states races by Western Australian punters is significant and makes up the bulk of the TAB's income. I do not think that will change for a long time.

I think the way to improve the racing, trotting and greyhound industries is to increase stake money. I cannot foresee that extra money to significantly increase the stake money and expand the industry will be provided. The yearling thoroughbreds sales this year, as well as last year and the year before, are another symptom of an industry that is in decline and battling. What was paid for yearlings at last year's sale was very poor, and things were not much better this year.

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The stake for a race win in the metropolitan area on a weekend is about \$18 000. I do not think a race is run on a weekend in Sydney or Melbourne in which the first prize is less than \$50 000. The Victorian racing club last year instituted a policy to ensure that the first prize in a metropolitan weekend race meeting was never worth less than \$50 000. That is very significant. That is one of the reasons that as soon as a horse can go half pace in this State it is on a plane to be tried over east. Many people with fillies or mares that have some potential want them to win one of the eastern states group or listed races to get some black type against the filly or the mare's name. That makes the horse eminently more valuable as a brood mare. For a range of reasons there is already a very significant focus on eastern states racing by Western Australian racing interests. That is something that the new controlling body must look at very quickly. We must interfere in circumstances to try to reverse the drift of our best people over east. Our trainers and jockeys all want to head east to get the most money they can out of the business they are good at.

I refer to the trots. I mentioned in the House last year that I went to the WA Pacing Cup last year. It was a nine or 10-race program. The Pacing Cup was worth about a quarter of a million dollars. The first prize in three of the supporting races run on that night was only about \$2 100 or \$2 300. That is terrible. The races were run at the headquarters of the trotting association in this State, and horses were going around for a first prize of less than 2 300. Despite all that we are still producing our fair share of good horses. Baltic Eagle, a Bunbury horse, is the favourite in Friday night's New Zealand Inter Dominion Pacing and Trotting Championships. I do not think the member for Bunbury has yet spoken. I do not know how Baltic Eagle fared in the barrier draw today, or whether it will be held tomorrow, but he has had two wins and a fourth from three starts in the heats. He is the top points qualifier. I think he is in with a good show on Friday. That is a real shot in the arm for Western Australian trotting. Trainer Kim Prentice and his team are based in Bunbury. Baltic Eagle has done extremely well this year. It won the Pacing Cup and the Fremantle Cup. It trained off a little in Victoria but has now gone to New Zealand and done exceptionally well. Northerly will start favourite in the major race event, apart from the Golden Slipper, on the Rosehill program on Saturday. We have some good horses and some very good trainers. Damien Oliver is a Western Australian who is doing exceptionally well over east. He is probably the premier jockey in this country at the moment.

Despite all the things going against the industry in this State, we still excel. We still produce good horses, trainers, reinsmen, and jockeys. We also produce good dogs. I think a Perth greyhound won one of the feature races in Queensland recently, although I admit that I do not follow the greyhounds particularly closely. The greyhounds industry has an exceptional caller. Craig Evans was born, raised and schooled in Carnarvon. He left seven or eight years ago to be the greyhounds' race caller and he has done an exceptionally good job of that.

The new controlling body will have the power to determine the race meetings on which RWWA will conduct offcourse wagering. I assume that relates to meetings for regional, provincial and country centres that apply to have a full TAB listing. There is nothing better for a country race or trotting club than to have its race meeting fully listed by the TAB. It makes a difference to the crowd. More people are on course because there are more opportunities for betting than are provided by a small oncourse pool. Country race clubs always have a local oncourse TAB, but if they can tap into the state or Australia-wide TAB pool, the dividends and returns to punters are much better, and that attracts more people to the races on those days. Again, this is why a lot of contention has developed between the various codes and the various clubs within those codes. For example, Broome is extremely concerned about its round, which will start in the next two or three weeks. It has a short, sharp season of about 12 weeks in which races are held almost every weekend. The Kalgoorlie round has already kicked off. It runs for about six months and many more meetings are held in Kalgoorlie than in Broome. Almost every Kalgoorlie meeting is a TAB event, but I do not think the same applies at Broome. The clubs in Broome and Carnarvon have been led to believe that a much more rigorous process will be applied to country racing clubs and country trotting clubs before they qualify for what was referred to as the country racing extras; that is, those events that the TAB had the discretion to classify as full TAB events. That will be a pity. The Broome club is very well established. There are around 170 or 180 horses in full-time work during the racing season in Broome, and there are up to 240 horses in Broome leading up to the cup. It is a very popular venue for racing, not only for trainers and owners but also for spectators. About 6 000 or 7 000 people attended the Broome Cup last year, and the year before that about 8 000 people attended the cup, so it is very popular. However, it is not as big as the Kalgoorlie Cup. The Broome and Carnarvon clubs have made representations to me about what they already see as a conflict between two regional racing clubs - Kalgoorlie and Broome. I do not know whether the Kalgoorlie club feels the same way; the members for Eyre and Kalgoorlie would have a better idea of that than I. Broome wants to have a country racing extra - a TAB meeting - when it applies for it, rather than all the meetings being assigned automatically to Kalgoorlie. That is something the new board must have a close look at.

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I turn now to the amendments that will be moved during the consideration in detail stage of this Bill. The member for Ballajura made some valid points. I support the view that a cross-section of interests is needed on the controlling body, whether that includes members from the country, two members from the racing industry, two from the trotting industry or two from the greyhound industry - I know there will be only one from greyhounds. This argument is a little like the argument between the Western Australian Municipal Association, the Country Urban Councils' Association and the Country Shire Councils Association. All three associations agreed to disagree more times than they agreed. There were many long fights before finally everyone was convinced that there were not reds under the beds or a bogymen at the back of it all, that everyone could get on and that the system would work a lot more efficiently if everyone joined together. Even if there is no country representation on the controlling body, its members must have some understanding or real appreciation of the dynamics of country racing, because it is far more than country racing, country trotting or country greyhounds. It is a social activity. There is a public benefit in running country meetings. For example, I am a reasonable sponsor of the Yalgoo racing club. It has only one picnic meeting a year. It is a very big event. Yalgoo has a population of about 95 people, but about 1 000 to 1 200 people will attend its cup meeting on 26 April this year. It would be very easy for someone on the controlling body to say that the money that Yalgoo would receive for its one picnic meeting a year will be reallocated to another meeting because it is a town with a population of fewer than 100 people. Someone on the controlling body must be willing to stand in the breach and must have some real understanding and appreciation of how important the one picnic race meeting is to the social fabric of a little community like Yalgoo. All those issues must be taken into account. The controlling authority must take on board whether we carry the amendment that there be country representation - that is, one member from the trotting industry and one from the racing industry. The minister must keep a watching brief on that matter to ensure that everyone's interests are represented through this authority.

**MR M.F. BOARD** (Murdoch) [7.54 pm]: I will add my contribution to the Racing and Wagering Western Australia Bill and the series of Bills that are before the House tonight, which bring together an authority that will combine the various codes in Western Australia. It is interesting at the outset that many members from both sides of the Parliament have spoken on this Bill. The reality is that racing and wagering has been part of the Australian culture, and indeed the Western Australian culture, since the start of our colony, and probably prior to that as colonists arrived in the country. It is an intrinsic part of Australians that they focus on the racing industry, and on the wagering industry that followed. There are not too many countries in the world that stop for a racing event; in fact, Australia would be fairly unique in that the nation stops for a horse race in November. That in itself symbolises the importance of the industry to Australians.

Today I compliment the minister in the other House and the Government for bringing forward this review and for bringing this legislation before the House. I will take a slightly different tack from previous speakers on this Bill and talk about the importance of the authority and of bringing it into fruition through this legislation. The timing is exceptionally important. Members have talked about various racing codes, whether they be the thoroughbred industry, the harness industry, the greyhound industry and, of course, the TAB, which is now part of the industry. Indeed, we are talking about a large industry - a billion-dollar industry in Western Australia. We are talking about an industry that is about not only recreation but also catering, promotion, television, wagering and tourism. A range of other factors hangs on the industry, including employment, the rural sector and the high-tech part of the industry, which is what we see on our television screens.

The industry is under threat, and it has been for some years in Western Australia. As a State and a Government, we need to understand the threats to that industry and what we will do to either protect it or create a different kind of playing field, as has been done in the eastern States. For example, the poker machine industry has been threatening to push into Western Australia. To the current Government's credit - it followed the lead of the previous Government - the use of poker machines in Western Australia has been restricted to the casino. I support that; I think it is a good thing. In New South Wales, followed by Victoria and South Australia in particular, there has been a proliferation of poker machines to the extent that it has had a detrimental effect on the wagering industry, the recreational industry and the hospitality industry. There is no new money. Most of the money that is spent, particularly on poker machines, is disposable income. People do not generate dollars at the back of their homes through a machine just because poker machines appear in their clubs, hotels or restaurants. The reality is that the dollars that are spent on poker machines around Australia - it is a multi-billion dollar industry now - are at the expense of another industry, whether it be restaurants or hotels; it is certainly at the expense of TABs and the racing industry.

Today we are looking at an authority that will strengthen the opportunity in Western Australia to consolidate an industry that is under threat. If the Government fulfils and meets its election promise to restrict the growth of

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poker machines in Western Australia, we will be able to maintain the strength of the existing industries; that is, the racing industry, the lotto industry - which I will speak about in a moment - the hospitality industry and other recreational pursuits on which people, particularly aged people, spend their recreational dollars. It is aged people in other States who are high users of poker machines. Per head of population, a much larger proportion of elderly people find themselves in financial difficulties as a result of the proliferation of poker machines. As a result, there is a lot of social upheaval in those States. Poker machines have been resisted in this State. I support the Government's position on poker machines, as the Opposition, when in government, led the way.

Per head of population, Western Australians invest more money in lotto than any other State. Indeed, more Western Australians per head of population win money from lotto. The reason is that this State does not have poker machines; people are more interested in the lottery industry. The lottery industry is less addictive to the majority of Western Australians. At the same time, money is returned to the State to provide additional support for health, the arts and youth. We support the lottery industry and we want to restrict any challenges to it. Some people would say that that is anticompetitive and that in a competitive world we should allow all forms of competition in this State. The State has the opportunity to stop something if it is not in the community's interests. The proliferation of poker machines into Western Australia is not in the interests of the majority of Western Australians. As such, we want them restricted.

Through the amalgamation of the racing codes under Racing and Wagering Western Australia, the whole industry will be represented. It is hoped that the right balance will be struck between the racing, harness and greyhound codes. Other members have spoken about how many members will be on the board and the toing-and-froing involved. I support the racing and harness industries having equal representation. Others will argue that greyhound racing should also have equal representation. However it pans out in the upper House, the important thing is that we have spokespeople for the industry who work for the long-term growth of the industry and its protection. Through Max Trenorden, the Leader of the National Party, and the Public Accounts Committee, I had the opportunity to be part of an investigation into the distribution of TAB funds in Western Australia. Minor changes favoured and supported a very strong harness industry when it was seen that the thoroughbred industry wanted to take over. I support that to some extent. Members may not be aware that the harness industry gave up Saturday afternoons and its prime timeslots on television many years ago. I cannot remember exactly when but it was postwar. Trotting is the major racing industry in many other countries. The reason that it is far larger in France and other countries is that races are held on Saturday afternoons. About 45 years ago, the trotting industry was the largest racing industry in Western Australia. It controlled most of the betting; much more than the galloping industry. A lot now depends on when races are held. Sky Channel dominates Australian racing and the location of betting, especially offcourse betting, which dictates the distribution of funds through the TAB.

I will be short in my comments tonight as the House has to deal with other Bills. I congratulate Mr Ray Turner, whom I know well, on his review. He has produced a balanced set of recommendations that the Government has, in the main, taken up. I support the recommendations and compliment Mr Turner on his decisive and deliberate approach to ensure that the industry is strong and withstands many of the pressures and challenges that will come in the future.

I have not previously mentioned the challenge of internet betting. It is another issue that the board will have to take on and deal with in Western Australia. Although it has not yet made a major impact, it will. The availability of technology, especially hand-held phones and televisions, will result in internet betting becoming a major challenge to RWWA in the near and not too distant future. A board that looks after the long-term interests of the codes, combined with a wagering component that brings in the TAB, will have the strength to take on these challenges. That is important for the whole industry. It is a billion-dollar industry that employs tens of thousands of people; far more than people realise. People are employed in hospitality, recreation and transport, all of which flow from the racing industry in this State. I congratulate the Government on this legislation, although amendments are likely to be moved to it. The Opposition supports the Bill and looks forward to RWWA working for the interests of racing and wagering in Western Australia.

**MR M.P. WHITELY** (Roleystone) [8.06 pm]: I support this legislation. At the heart of the legislation is a cooperative approach between the galloping, pacing and greyhound codes. I will talk more about that later.

I will speak briefly on the importance of the equine industry to my electorate. I am one of four members in this House who represent the Peel region; I represent northern Peel - the Shire of Serpentine-Jarrahdale. The member for Mandurah does a great job representing his electorate. The members for Murray-Wellington and

**Extract from Hansard**  
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p6356b-6381a

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Dawesville are first-class fellows despite some slightly misguided principles at times! Nonetheless, we all recognise the importance of the equine industry to the Peel region.

I am very encouraged by the work done in establishing the Peel Horse Industry Council. Two weeks ago, the members for Murray-Wellington, Dawesville and I attended a dinner auction at Tumbulgum Farm, which is a fantastic facility in my electorate. The evening raised in the order of \$20 000 to \$30 000; I do not have the final figure. For an inaugural dinner auction it was a fantastic success. All credit goes to the committee of the Peel Horse Industry Council, which comprises president Michael Greenup and committee members Bruce Scott, whom I know well, along with his wife Joan, who is a councillor of the Shire of Serpentine-Jarrahdale and does a fine job; Ross Waddell, the auctioneer for the night; Lisa Gardiner; Andrew Downey; George Fogarty; and Linda Butterly, the executive officer. Linda has done a tremendous job in setting up the Peel Horse Industry Council. The council has been established with the same philosophy that underpins this Bill, which is a spirit of cooperation. It is an amalgamation of all people in the Peel region who have an interest in equine matters. There are representatives from harness racing, galloping, showjumping, pony clubs, trail riding, campdrafters, endurance riding, quarter horses, rodeos, western activities, as well as breeders and exporters of horses from the region. They have come together by deciding that the future is brighter and better when operating in a cooperative way. It is a forerunner of great things to come.

I am happy that the future of horse racing, particularly trotting, is very strong in my electorate. In the past few years the Byford trotting complex has run a number of successful meetings, which have been attended by thousands of people. It is an expression of how important the industry is to my electorate. The Peel Horse Industry Council has a mission statement, which is to unite the Peel region to become the horse capital of Western Australia. It is well on the way to doing that. It has drafted a five-year plan, the aim of which is to have the region recognised as an international showcase of equine excellence.

There is some dispute about whether horse-related activities are the fourth or fifth largest industry in Australia, but the industry is certainly the third largest employer and contributes well over \$6.3 billion a year to the Australian economy. If the value of volunteer work is added, the contribution is probably in the order of \$8 billion a year, which, if I remember my high school economics from when I was teaching a couple of years ago, is probably close to about one per cent of gross domestic product. The horse industry is an extremely important industry Australia-wide, and even more important in the Peel region, particularly in the Shire of Serpentine-Jarrahdale.

In 1998, there were 11 700 horses in the Peel region, and the equine industry made an economic contribution of about \$75 million to the region. That is nearly double the previous estimate in 1993. Although the figure for 2003 is not available, it would be a fair guess to say that it has doubled again, such is the energy generated in the equine industry in the Peel region. The owners of horses in the Peel region spend an average of \$4 600 a year on riding and maintaining their horses. The direct impact is obvious. However, these figures do not take into account the extraordinary impact that equine-related activities and horse-related events have on tourism and the general social and economic fabric of the Peel region.

The Peel region in general, and the Shire of Serpentine-Jarrahdale in particular, are extremely equine friendly. According to the best estimates of the President of the Peel Horse Industry Council, Michael Greenup, the contribution of the industry is in the order of \$150 million a year, which again is double the figure shown in the last study conducted in 1998. The Peel region represents a unique opportunity to create an extensive horse focus within close proximity to Perth and with easy access to national and international airports. That is especially true with the proposed extensions of Tonkin Highway, which will reach Armadale Road by 2004, and eventually extend to Byford and Mundijong. It will mean that that region is even more strategically located, with access to the facilities at Ascot, Belmont and Gloucester Park, and also the international and domestic airports. Research in 1998 indicated that the equine community in the Peel region wanted two things for its region. It wanted, first, access to a multi-purpose equine centre. That is part of the community's vision, and I will be happy to work with it to try to achieve that. Secondly and more importantly, it wanted an umbrella organisation that would represent its needs and achieve its goals in all aspects of equine-related activities. The equine community has taken the challenge on board and has set up the Peel Horse Industry Council. As I said, I congratulate the equine community. It has made a fantastic start. It raised a lot of money at its inaugural dinner. It has a lot of energy, and it is obvious that it will be successful. As I said, I am encouraged by the progress of the industry in my electorate, as demonstrated by the success of the Byford trots.

The basic thrust of the legislation is similar to the basic thrust of the establishment of the Peel Horse Industry Council; that is, to advance a cooperative, not a competitive, approach between the galloping, pacing and greyhound codes. It takes control away from vested interests that have a narrow focus and takes an industry-



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wide approach. It will allow the three codes to achieve economies of scale. I believe it will introduce a preparedness to face some of the tough decisions and to put aside sectional interests, thereby allowing those who are on the Racing and Wagering Western Australia board to take a holistic approach and make some of the tough decisions to perhaps rationalise some facilities to achieve the economies that can be achieved with a bigger organisation. That will be a tremendous boost to the horse industry in particular. I have not talked about greyhounds because very few greyhound trainers are in my electorate. That, along with the half a per cent cut in the betting turnover tax that the Government has introduced, will continue to boost this thriving industry in my electorate.

I will conclude by talking a little about the issue that has attracted a great deal of media attention; that is, the make-up of the Racing and Wagering Western Australia board. It is no secret that the first draft of the legislation that was presented to Caucus was changed because of the input of a number of backbenchers. I was one of those very vocal backbenchers. I believe the change has been mistakenly attributed to the influence of lobbyists, in particular Brian Burke and Julian Grill. I make no secret of the fact that I was a very strong advocate of giving the trotting industry a second representative on the board. I argued very loudly and clearly for that. I also make no secret of the fact that I am not a fan of Brian Burke. I have put it on the public record that it was the performance of Brian Burke as Premier that led me to vote Liberal for the one and only time I have done so in my life - something that I can assure the House I am unlikely to do again. I put that on the record. This decision was made for the right reasons. It was made by a group of very determined backbenchers, who put the interests of the communities in their electorates well ahead of any other consideration. Hundreds of members of the Western Australian Trotting Association live in my electorate. It is a huge industry in my electorate. That is why I took the stand that I took and why my fellow backbenchers, who facilitated this backbench revolt, took the stand that they took. I know the reality of it, despite what has been reported in the Press.

I welcome this legislation. It is all about ensuring a cooperative approach and reflecting the fact that, by working together, more can be achieved than by pursuing narrow, sectional interests. I commend the Bill to the House.

**MR T.K. WALDRON** (Wagin) [8.16 pm]: The National Party and I personally support these Bills. I too congratulate the Government on bringing forward this legislation. It is a good measure, and I am confident it will be successful. I endorse the comments of the member for Avon, the Leader of the National Party, in his second reading contribution. He made some excellent comments and really understands the industry. I point out from the start that I have not had a lot to do with this industry. However, it is a big industry in my area, and I am trying to learn as much as I can about it. I look forward to working closely with the clubs in my area to learn more about it. With my sporting background, it seemed obvious to me that a restructure of the racing codes was needed. From what I have seen, it is long overdue. There have obviously been some problems in the industry, with infighting and vested interests. I am confident that the new board will be able to manage the codes in a fair and successful way.

Although I do not have a great deal of experience in the racing industry, I see a correlation between that industry and the sporting industry in which I was involved; namely, the football industry. I remember when the football industry in Western Australia was at a crisis point and the West Australian Football Commission was established. Although it has had its critics over the years, it virtually saved football in this State, and it has gone on to run the football industry very well, even though I have not always agreed with everything it has done. I am hopeful that the Racing and Wagering Western Australia board will play a similar role. If it can do that for the racing industry, it will be successful.

We will put forward some amendments. In particular, I will speak on the amendment under which there will be country representation on the board. That is very important. The member for Ballajura, in an interjection on the member for Avon, made a good point when he said that this board is not about representing the various vested areas. I do not believe that that is what country representation on the board is about. It will not be country representation as much as representation by people who understand the industry in the country and what is required in the country. Decisions will have to be made whereby that understanding will be imperative. I am confident that the people who are on that board and have that country experience will represent the whole industry fairly, and will be able to bring to the board what the other members need; that is, an understanding of the industry. Once again I refer to the football industry, in which I have seen a real need for that. There was a time when people with no country knowledge were involved. Some decisions were made that had a detrimental effect on that industry. The people who made those decisions later realised that. For the information of members on the other side of the House, one of the members of the WA Football Commission is former Labor leader Ian Taylor. He brings an outstanding understanding of country football to the commission, which is vitally important. His understanding and knowledge is put into practice and is accepted by other members of the

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Football Commission, as would the knowledge of a country representative on the board proposed by the Bill. That is very important. Many excellent people with such knowledge would more than adequately fulfil that role.

The National Party also welcomes the change that will see payments go directly to clubs rather than to the main industry bodies. That is very important, because it will foster a more proactive business ethic and will benefit those involved. The racing industry is not huge in my electorate, but it is important. In particular, racing and trotting are very popular. Trotting meetings are regularly held in Wagin, Narrogin and Williams, and racing is also held in Narrogin. The member for Ningaloo mentioned a picnic meeting at Yalgoo. We have a similar picnic meeting at my little home place, Jingalup, which is just out of Kojonup.

Ms M.M. Quirk: Is that the home of the Tigers?

Mr T.K. WALDRON: They are very successful; however, teams that are successful do not need names.

The Wandecra horse complex in Jingalup is the country centre for polocrosse in Western Australia and the place at which the Australian polocrosse championships were held. The one racing meeting it hosts is a fun meeting, but it is important to the area and people come from all around to attend. Wagin is a particularly strong trotting area, not only because of the trotting club, but also the breeding of trotting horses. Its enthusiastic band of people do a terrific job. Likewise, since I have been a member of this place, the racetrack at the Narrogin Race Club has been completely re-laid and resurfaced, and is in a beautiful condition. I look forward to the first meeting, which will be held in the next couple of weeks.

The member for Ningaloo also emphasised the importance of the racing industries to the social fabric of our communities. Although I am not an avid race or trots goer, I occasionally take my family because it is a great night out. Many people get a lot of enjoyment from such events, which are a big part of their social lives. I endorse what the member for Ningaloo said.

Members should not forget the role that volunteers play. The establishment of the board will mean that clubs will be treated more fairly, and volunteers will benefit because they will feel that they have a real role to play. I am not an expert in this area, but I look forward to working closely with the clubs in my area. I also look forward to learning about the racing industry from the member for Avon, who has a long history in the industry. His knowledge has helped me understand what is involved. I am confident that these Bills and the establishment of a board with country representation, about which I feel strongly, will allow the industries to move forward. I am confident that the management of the racing, trotting and greyhound industries will be in better shape as a result of this Bill. I support the Bill.

**Mr P.W. ANDREWS** (Southern River) [8.23 pm]: The minister in the other place has done an excellent job with not only the Bill itself but also the consultation that was undertaken. The situation was difficult because the three codes have a history of division and there is also division within the codes themselves. There are probably more factions and politics in racing and harness racing than there is in this place. As we all know, it is a competitive industry and the minister's ability to bring the three codes together to reach an agreement without imposing the big stick is a fantastic achievement. Given that he was under considerable pressure from different aspects of the codes, and from members of this place, I congratulate him on producing legislation that will pay long-term dividends.

Members who have spoken to the Bill have already highlighted the situation in WA. The pie is diminishing and the three codes are chasing as much of that pie as possible. The aim of the board will be to increase the size of that pie. One of the problems that has occurred over the past 15 years is that a whole generation has missed out on racing, pacing and chasing. Members of my vintage would remember Friday nights at the trots or, if they were not into football, afternoons at the races. Changes in entertainment, brought about by the success of the West Coast Eagles, the Burswood International Resort Casino and the like, have meant that a whole generation has not been attracted to the industry. In that light, I congratulate people such as Garry Scott from the Western Australian Trotting Association, Ted van Heemst from the Western Australian Turf Club, and also Ken Norquay from Greyhounds WA. The ability of people to come together and put aside their differences in order to achieve greater long-term results is a terrific achievement.

I will be interested to consider the National Party's amendment, which it intends to introduce in an attempt to protect country interests. I have sympathy for that point of view, because once upon a time some country towns depended very much on midweek race meetings. I clearly remember the start of spring and the drive to York. We would have lunch at Settlers House York - I think it was called Settlers Inn in those days - and then go to the races. It was a full day out, the net result of which injected money into York.

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Mr M.J. Birney interjected.

Mr P.W. ANDREWS: No, I will give it consideration. The member for Kalgoorlie was not in the Chamber when I interjected on my friend the Leader of the National Party, who believes that putting someone on the board who has a particular interest in country representation is the way to go. I am not sure about that. When I interjected I was trying to express the point of view that we are trying to get away from the idea of factions and the like.

Mr M.J. Birney: I thought you said you had some sympathy for that point of view.

Mr P.W. ANDREWS: I do. The aim of the amendment will be to ensure that country racing and trotting is represented. The argument comes down to the meaning of representation. The other point of view in the argument is that we are trying to get away from sectional views. Having said that, over the past 10 years harness and thoroughbred racing have tended to be city centric. I have sympathy for the intent of the amendment that will be moved by the Leader of the National Party.

Mr M.J. Birney: So you will vote for it?

Mr P.W. ANDREWS: As I told the Leader of the National Party, I will consider it.

Other members have talked about the economic side of the industry; however, it is also a part of our Australian culture. People get a great deal of enjoyment from attending the races, trots or the dogs, even if they are not gamblers. One of things that will come about as a result of the board is that the three codes will not be seen as a venue for gambling; rather, they will come to be seen as venues for entertainment, as they were in the past. That is probably the way to go for the industry. The other night I was at the trots and saw A Day's Pay win its race; the horse is owned by my friend Greg Bond. I was not interested in the horse itself, but thoroughly enjoyed Greg's win. As I said, the enjoyment of attending such events has been lost over the past few years. Hopefully the board will put that back into the game. I congratulate the minister in the other place on managing to achieve this. I congratulate the leaders of the codes for coming to the party at the end of the day. The Bill is a good result.

**MR R.F. JOHNSON** (Hillarys) [8.30 pm]: I will be brief. I promise I will not take more than five minutes, because the deal I have with the Leader of the House is that we will try to get this Bill through the second reading stage by 8.30 pm. We have gone a little over time. Whenever I talk to members and they say they will take no more than five minutes, they always end up taking 10 minutes. We are a little behind the schedule for tonight's sitting of this House.

Mr C.M. Brown: We could easily make up five minutes.

Mr R.F. JOHNSON: I give a word of advice to members opposite. If they do not interject on me, I will stick to the five minutes. If they interject on me, I will obviously take longer, because I have a few things to say.

I put on record tonight acknowledgment of the tremendous persuasive powers of Brian Burke and Julian Grill. Without them the Bill as it stands now would not be before the House tonight. We must acknowledge the tremendous amount of work they have done, not only in working for the trotting industry, but also in lobbying members of the Labor Party and ministers. They are obviously very successful lobbyists. From their point of view, they have done a very good job, and that is reflected in the Bill before the House tonight.

I should declare an interest in this Bill, because I am the very proud joint owner, along with the members for Dawesville and Murray Wellington, of a trotting horse. This is the third trotter I have had a share in. Unfortunately, it is not the best one we have had. The first two trotters were very good. They did well, and won quite a few races. That got me interested in trotting in Western Australia - having a direct interest and being able to go along and watch our own horse race. It was also a great pleasure to go to the trots, and the gallops. I have enjoyed going to the gallops in Western Australia, and many Western Australians enjoy horseracing. I must admit that I have not been to greyhound racing as yet. That pleasure still awaits me, and I hope to take it up in the not too distant future.

My love of horses goes back many years. It may come as a big surprise to some members in this House that I was a horseman for at least 15 years in England. I had my own horses. I did not race them, but I did hunt trialling and showjumping. I had such a wonderful horse that I actually won a few trophies. I always put the credits on the horse rather than myself because anyone who has a wonderful horse can work wonders with it. When I left the United Kingdom to emigrate to Australia, just over 15 years ago, my wonderful horse that I had owned for 15 years was 20 years old. I have to report to the House that, unfortunately my horse died last year at

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the age of 36. She led a very long life. I did not expect her to live that long, because when I left the United Kingdom to come here, I gave her to my cousin to look after. I did not want to sell her or put her into a riding stable, because I did not want people who were learning to ride to kick the bits out of her belly, as they used to say. I wanted her to have a good retirement, because she gave me so much pleasure. She had a wonderful retirement of 16 years. It cost me an absolute fortune, because I had to send money back every month for her feed and keep, but I do not begrudge that one iota.

This is a significant Bill in many ways. Although the Opposition does not oppose it, we have some concerns, and will move some amendments. I am under the impression that the Liberal Party may move those amendments in the other place. Our first area of concern is that we believe the Bill should include a sunset clause. Once something is given away, it is very difficult to get it back again. The Opposition, probably in the other place, will move an amendment to insert a sunset clause. This is a way to ascertain whether the Bill is working in the way that we hope it will. If it does, that is not a problem, but if there are problems the sunset clause will give the Government the opportunity to introduce some amendments at the time the sunset clause comes into effect.

There needs to be some certainty in this area, and the certainty that has existed until now has resulted from the \$50 million made available to the three codes in the formula that is set out. That formula should stay in place. That \$50 million should be a set amount of money that goes to the three codes in the proportions set out at the moment. Any amount over that \$50 million should be left to the discretion of the new board to allocate after taking out the amount it will cost to run the board. I am told that the cost will be between \$7 million and \$9 million, which seems an exorbitant amount to run a board of about 10 people, but if that is the case, not much can be done about it. The allocation of the surplus should be left to the board to decide. There should also be some sort of incentive to the three codes for the allocation of the amount over \$50 million, so that some onus is placed on the three codes to come up with some innovative ideas for increasing the overall income. They should not get it without doing anything for it. This would work for the betterment of the three codes, and also for the people of Western Australia.

I did promise to be brief, and in closing I indicate some other concerns about whether this is the right way to go. Until now the Totalisator Agency Board has been an instrument of the State Government, responsible to the Parliament. There are concerns in some areas about relinquishing that responsibility to Parliament. The Parliament should have the power to bring it back, and make some directions if things are not going well. There are concerns about setting up what amounts to a corporation board. It will not be a company so the directors will not have the responsibilities of company directors, as with a corporation of the Government such as Western Power. This is a very different board that will have a lot of power, and will not be responsible to this Parliament. That concern will be taken up in the other place.

The Opposition does not oppose the Bill. We must move forward always in areas like this. We would like the \$50 million to stay in place, because that is an acceptable level to the industry in general. We believe that there should be a sunset clause in the Bill, so that the legislation can come back to Parliament to ensure that it is running properly, and if it is not we have the opportunity to amend it.

**MR J.C. KOBELKE** (Nollamara - Leader of the House) [8.38 pm]: I thank all the members who have contributed to the debate. It has been a very fine debate, with some very positive contributions from a large number of members. I attribute that to the fact that this is a very important industry, and the Bills now before the House make major changes to the way in which that industry, with its three different codes, is structured. I also attribute the positive debate to the fact that many members have personal interests in one or more of the racing codes. That relates both to their personal interests and those of their electorates. It has been a positive debate, reflecting the importance of this industry and the major changes contained in this Bill.

I need to clarify my role as the minister managing this Bill through this Chamber. Although I understand the importance of this industry, and the turnover and the employment it creates, I do not have expertise in the area. Therefore, when answering questions in consideration in detail I will be relying on the advisers, who do have that expertise, and also on the Minister for Racing and Gaming, Hon Nick Griffiths, who will have to make the call on any amendments. It is appropriate to acknowledge the incredible work done by Hon Nick Griffiths. He is a minister who has really taken to this industry and, in a short time, gained a very thorough understanding of it, such that he could put in place the whole process of consultation to bring this legislation forward. The minister would acknowledge that it was not that he did it all, but that he was able to give some guidance and bring so many good people in the three codes together and use their expertise to ensure an outcome to which all the codes will be committed. That has been a very difficult process. It has been capably led by the Minister for Racing and Gaming and the people in his office and department. That is reflected in the debate here tonight. We

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will not go into the consideration in detail stage of this legislation tonight because of the factors I have outlined. Some amendments have come forward only today and I need to be briefed on them. I am not the minister with expertise on this legislation. Therefore, I need to get advice and make sure that the amendments are properly checked off with the minister.

Mr P.G. Pendal: When do you think we may resume it?

Mr J.C. KOBELKE: I suspect it will be next week. The minister is a keen reader of *Hansard*. I know that he will go through and follow up the comments made by various members. The member for Murray-Wellington asked a particular question on the 0.5 per cent rebate. In brief, the answer is that it was an election commitment, which the Government has delivered on. The way to deliver on it quickly was to use the rebate. That is why it was done in that way. There was also a promise to carry out a review of the whole taxation basis of the industry. That has been set down for finalisation in 2005. I will confirm that date. Our aim was to put these changes in place, to evaluate what was happening in the industry, and then to undertake a proper review of the taxation structure. The issues the member raised will be addressed in that process. The rebate was used primarily because it provided a method to quickly fulfil that election promise. That is why it was done.

I thank members for their contributions to the debate. I look forward to answering their questions when we go next week into the consideration in detail stage of this legislation and we further its passage through the Legislative Assembly.

Question put and passed.

Bill read a second time.