

TAB — PRIVATISATION

Motion

MR M.P. MURRAY (Collie–Preston) [6.07 pm]: I move —

That this house condemns the Barnett government for breaking its word in relation to the privatisation of the TAB.

In speaking to the motion, I must first say that I have never seen the racing industry in such a shambles in my time around the traps, and I have been having a bet since I was 16 years of age. I have never seen it. It is in disarray. Not only the situation with the TAB, but also other issues that I will not talk about, is impacting on the racing industry.

The TAB issue has started a domino effect. It has gone right through; the confidence has fallen out of the industry due to the Barnett government's mismanagement and comments made in this house by the minister, the Premier and the member for South Perth, who has not helped at all. I will read out a few of the comments. On 20 February 2014, in response to a question without notice, the minister said —

I am on record in this place saying that I do not support the privatisation of the TAB. I think that the TAB in Western Australia plays a really important part in the funding and ongoing success and health of the racing industry, which is extremely important to Western Australia. Talking about Racing and Wagering Western Australia, I have discussed this with RWWA on many occasions. RWWA does not support the privatisation of the TAB. I have given an assurance that when the time comes, if RWWA thought it was in the best interests of the racing industry to privatise the TAB, obviously I would listen to that. It is not about to do that, I can assure members of that. From speaking to industry people, there is not support for the privatisation of the TAB.

Then the Leader of the Opposition asked whether the government's position was that the TAB will not be privatised and the minister answered yes. How things have changed since February! Again, the minister, in March this year, said —

I would only ever consider the privatisation of the TAB if it was in the best interests of the racing industry ...

I do not think it is in the best interests of the racing industry—in fact, I do not think it is in the best interests of the state—to privatise the TAB at this stage ...

The TAB is performing very well, and I do not support its privatisation.

I move on to 7 May 2014, and an answer by the Premier to a question without notice, referring to comments he had made on 25 September 2013. The Premier said —

Yes, I had said previously that we were not going to sell the TAB ... I do not think any decision will be made on the TAB one way or the other for several years ... in the normal course of things ... one would not think that a government would own a betting agency.

There is doublespeak there. He also commented that the minister's statement that privatisation of the TAB was not in the best interests of the state was perfectly proper. What has changed? Maybe it was a \$20 000 meeting that the government has had in the past couple of weeks with Tattersall's. A secret meeting has been held between the Premier and an industry buyer; a group that has bought other TABs and runs one of the biggest gambling institutions in Australia. What has made this change happen? What will happen in the future if the TAB is sold? The TAB is there to regulate the industry, and put money back into the industry—this financial year to the tune of \$120 million. Along the way, between \$30 million and \$40 million was taken out as turnover tax, which goes straight to general revenue. We will be selling the goose that lays the golden egg. We will chop off its head, and then it will be gone, and then we will have real problems. Many people have come to see me over this time with great concerns, including breeders, trainers, owners, jockeys—all through the racing industry. We had a problem in the chasing industry, that there is no money to put back in. Racing and Wagering Western Australia itself, through the TAB, put in \$9 million upfront, but the government did not match that. We have a huge problem ahead of us, and no wonder there is no confidence in this minister and the Premier about where we are heading. We are not heading anywhere. It is a mess. The industry now, over the TAB privatisation and other issues, is fighting itself, which is not good for the industry. It is not a good look to see committeeman against committeeman, and trainer against trainer. That sort of thing is going to bring the industry to its knees.

Recently I travelled with the member for South Perth to a conference in Hong Kong about the state of Australasian racing. Many people came up to me and said, "Whatever you do, don't sell your TAB." There was one dissenter, and he was from Western Australia, but he has convinced the member for South Perth to change his position over time; he has been nobbled by one person. Before the member for South Perth went to Hong

Kong he opposed selling the TAB. I do not know whether or not he got a sling while he was there—I am not quite sure—but since he has come back he has had a different view.

Withdrawal of Remark

Mr J.E. McGRATH: Although I respect the member for Collie–Preston, I think he has made a very unparliamentary suggestion that I might have accepted a sling from some person. That is my thinking.

The ACTING SPEAKER (Mr N.W. Morton): Thank you, member, I take the point of order.

Mr M.P. MURRAY: I unreservedly withdraw my remark. It was a slang term, and I withdraw it.

Debate Resumed

Mr M.P. MURRAY: The member for South Perth has been convinced by others to change his position. It was not the group we were with, because people there from all around Australia opposed the idea. A Queen's Counsel from South Australia begged me not to let it happen and urged me to have a look at what happened in South Australia when the TAB was sold. The Premier of South Australia did the same thing as, Paul Lennon, the Premier of Tasmania, had done previously. He held secret meetings, and then dropped them in it. The industry has collapsed. Breeders and trainers from all around Australia wonder what they are going to do if Western Australia sells its TAB. Is the shareholder then the key person, or is the industry the key? That is a very pertinent point.

Along with that, other areas really concern me. There is a rumour coming out of the National Party—I will say rumour or gossip—that members are saying that we in the lower house should not worry about the sale of the TAB, because members will let it go through and approve it. Not wanting to embarrass the Premier, the Nationals will stop it in the upper house. I see that as very dangerous. I would like to hear later from the minister what his position really is. Judging from what he has said in this house, we cannot believe him one way or the other. His words have been swapped and changed from maybes to would-bes and could-bes.

The Treasurer, in his budget speech on 8 May 2014, flagged that the ownership of the TAB would be reviewed to manage debt. If it is going to be sold to retire debt, the money certainly will not go to the industry. That block of money will be used straightaway to retire debt. The Premier alluded to that today, in saying that we will build something else and we will not retire debt. That is in direct contrast with what the Treasurer said. The Premier himself is in the chamber. I am glad to see that he has walked in. He said on 25 September 2013 that neither the various utilities nor the TAB would be sold. That has changed, and it has been publicly reported everywhere. It will not be sold immediately, but it will be considered for sale along the way. Now that the Premier is in the chamber, I ask him: when will he tell the people of Western Australia and all the owners, trainers and jockeys, who are the base of the industry, what his meeting with Tattersall's was about? That is what the industry wants to know. It is well publicised in the press that the industry is very concerned about what the Premier is doing, because it is not getting the information it needs to do its own research. A very high profile consultant has been employed at great cost to the industry to determine whether there is any way the industry can work with the government. But the government is running a sideshow, and it is not working with the industry at all.

Let us have a look at another group of people out there—the TAB owners. Although there are 280 TAB outlets in Western Australia, it must be remembered that a lot of those are at hotel venues that derive an income from them. Eight TAB agencies are currently for sale—Wembley, Bayswater, Fremantle, Applecross, Mandurah, Waterford, Victoria Park and Bunbury. Would anyone in here, given the decisions that have been made in this room, buy one of those agencies at the moment? No, because the Premier is saying that maybe it will not be sold today; maybe it will be sold sometime in the future. He should at least give those people a chance. Some of them have planned their retirements and some of them just want to get out and move on. They have been left in no-man's-land due to the Premier's inability to sell what he is going to do, or tell the people the truth. The minister is not game to stand up to the Premier. The minister had made many statements, but he has not backed up one of them. The Premier has ridden roughshod over the Minister for Racing and Gaming. The Premier should come out and tell the industry what his meeting with Tattersall's was about, what he will do with the TAB along the way and how he will do this. Is the Premier going to privatise the TAB or not? The spinoffs from this issue include whether Ascot should be sold—although we know it cannot be sold—whether Belmont should be developed or the racecourse sold and whether more money should be put into Pinjarra. All these issues have arisen because of the Premier's indecision and unwillingness to work with the industry.

Eminent people in the industry such as Fred Kersley have spoken to me at different times about their grave concerns. He has seen what has happened in South Australia. Some races on the east coast attract half the prize money of that on the west coast, which is backed up by our very good Racing and Wagering Western Australia system. I make the point that RWWA probably needs an overhaul, and I have no problem with that. RWWA has been in existence for so long that it is probably time to look at it. When stakeholders are racing for half the prize money, the owners and breeders will start to drop off. They are the lifeblood of the industry.

We need leadership from this government, but it is sadly lacking. The Premier is coming around the turn in the Melbourne Cup and he is last by 100 yards and is hitting the whip, but he is not going anywhere. Tattersall's can see that the Premier is a plodder. It knows he does not understand the industry. The Premier should get someone who understands the industry and work with them. That is vital.

I will get back to what the government is doing to TAB agencies. It is similar to what this government has just done to the taxi industry. The Premier came out with a statement that devalued the taxi industry. The government is now devaluing TAB agencies in exactly the same way because of its indecision and a view that is short-sighted. The government has no long-term plan, and no-one is going to buy into it. The government has to look at what it is going to do.

Let us look at the key players in the Liberal Party on the racing game. We know that the member for South Perth has been involved in sporting journalism and other issues in the industry over the years. He is also a key player in the Liberal Party, because members will remember that at one time he had the power to remove a Liberal Party leader at a barbecue in his own home—he moved him on!

In the Legislative Assembly on Thursday, 15 August 2013, the member for South Perth stated —

I am not saying that we should sell off the TAB. I stress that point very strongly. I am not in favour of selling off the TAB; rather we should outsource the operations of the TAB, as has been done in most other states ever since Victoria did it in 1994.

On Thursday, 15 May 2014, the member stated —

I have had a number of calls from concerned stakeholders in the industry about privatisation and my advice to them has been: do not be spooked by misinformation.

What information? There is no information, which is where the problem stems from. Mr McGrath continues —

Yes, the Treasurer and the Premier have confirmed that privatisation of the TAB will be considered, but it is too early to start jumping to conclusions about possible impacts on the industry or building up defences against what might happen. Moreover, I believe there could be considerable benefits for the industry coming out of a privatised model.

The first quote was from *Hansard* on 15 August 2013 and the second on 15 May 2014. What a change! The member has kicked with the wind one week and kicked against it the next week. That is so off. The government is leading the industry the wrong way and not showing any leadership. The government is moving backwards on the whole issue: no, we should not sell, and then yes, we should! Where do people go? They do not understand what the government is doing. Why would anyone invest in an industry if there is no leadership at the top and they do not know what the government is going to do with that industry?

I am sure that many members in this place would like to speak on this motion. The member for Warnbro and the member for Armadale are getting the same sort of complaints about what this government is doing. One thing we do know, which is very clear, is that most people in the racing industry say that they have always been treated with respect under Labor governments and have always had funding under Labor governments. That is not the case under this government. There is no doubt that royalties for regions chucked a few bob around to the country tracks, but the city tracks have ageing infrastructure. One of the issues that came out of the Asian conference was that we must provide top entertainment precincts to attract people in today's world. If we do not, attendances will drop. One of the strong pointers to when Perth Racing started to go backwards was the police presence at the Perth Cup, when the attendance of young people dropped off. The attendance figures dropped from 40 000 people to just under 15 000 in the year just gone. We have to do something to stop that drop-off in attendance and to encourage people back through the gates. If the Premier cannot tell us the truth about what is going on with some of these meetings with Tattersall's, I do not know how we will get that confidence back in the industry.

As I said previously when the Premier was not in the chamber, I believe he is being set up for a fall by the National Party. National Party members are telling people they will block the bill in the upper house because they do not want to embarrass the Premier in this place. If I were the Premier, I would sort that out in the cabinet room very quickly. Maybe it is time he jettisoned them while he has the numbers. The Premier might be able to get rid of a few of them there. They certainly have not done a fair job for the racing industry.

A recent article by Jay Rooney in *The West Australian* reads —

... WA Racing Trainers' Association president Michael Grant said.

“We're very concerned the State Government isn't allowing RWWA to provide all the necessary information to us. Transparency is what drives the racing industry and that's all we're asking for.

“We know the industry better than anyone and we feel we need to be a part of the process.”

That is where the government has fallen down. It has not brought the industry with it, and they are out the back wondering where they are going to go next. This is the Premier's baby. He is the one who wants to privatise the TAB. He has pointed the finger everywhere else. He has changed his tune so many times that people cannot follow where he is going. If this proposed sale is only to retire debt, what is the industry going to live on afterwards? If it is sold and the shareholders become the main stakeholders, we know what will happen in those companies—the share price will have to go up. The racing industry will be the loser, because the first thing Tattersall's will say is that it cannot give the industry that turnover tax. We should put the pressure back on the government, because that is where the problem will be. Tattersall's will not invest \$120 million out of its pocket, as RWWA does at the moment, to keep the industry going. RWWA has done a fair job.

I was surprised that RWWA publicly stood up and ran down the government's position. I am sure there was a nod and a wink between RWWA and the Minister for Racing and Gaming to allow that to happen, because a government agency coming out against government policy is unheard of—in most cases, that is, because we know what happens to a director general when that happens, as we have seen happen in recent times. I would say that RWWA did that with help from the minister, who does not have the gumption to stand up to the Premier and say, "We're not going to do this. This is a good model. It's held in the highest regard over Australia." That is without doubt.

I also attended a Magic Millions get-together and a number of trainers were there—Bede Murray, one of the top trainers on the east coast, as well as Colin Webster and Ross Price. I made an effort to walk around and ask all those trainers what they thought about the privatisation of the TAB in WA. They begged me to stand up and be counted and make the Premier understand what will happen to their industry in both breeding terms and the returns to government. There will be a short-term gain, but then we will have problems. I know that some of my colleagues are keen to follow on. The opposition wants to keep these two issues separate. The first is about the racecourses, which is an entirely different issue from the TAB. The issue with the TAB is straight up and down: is the TAB going to be privatised and at what price or will there be a backdoor deal done because Tattersall's has paid \$20 000 to have a meeting with the Premier? Will that group get the nod? What is the Premier going to do? When is the Premier going to come out and clear the air so that people in the Western Australian racing industry know what is going to happen in the future?

MR P. PAPALIA (Warnbro) [6.30 pm]: I rise to join the member for Collie–Preston in condemning the government for breaking its word on the privatisation of the Totalisator Agency Board. When I say that, the Premier looks questioningly at me across the chamber, but I have to say to the Premier that I and the member for Armadale, the shadow minister, are only repeating the concerns of the racing industry. We are not making this up. On Friday, I was at Larkhill Thoroughbred Training Centre to meet with a significant number of local trainers who operate at that track and to present to Chloe Azzopardi the inaugural award that I created to recognise the most diligent jockey who trains and works at that facility. She was selected by the industry, and I commend Chloe for her courage. I think that those quite small jockeys are incredibly brave for engaging in a challenging and dangerous pursuit that requires dedication, hard work and a great deal of risk. I am pleased that I will be providing that award annually. It was great to present to Chloe that inaugural award in front of some very respected and responsible trainers and participants in the industry there last Friday.

What I have to say, however, is that there is a deep feeling within the industry across Western Australia that the Premier has betrayed them. The member for South Perth's ears must have been burning on Friday because I also talked about him. I told the group assembled at Larkhill that there is probably no-one within the Western Australian Parliament who in the past was considered to be more of an advocate for the WA racing industry than the member for South Perth. I said that he is a respected individual and people knew that his heart lay with the industry. However, I said to them that the most significant indicator with respect to what the Barnett government is going to do through its grubby deals and its short-term thinking in the way of a sellout of the industry was the change in tune from the member for South Perth. When I said that, they all nodded. They knew what I was talking about because they know that there was a time when the member for South Perth stood in this place and defied any suggestion that the TAB should be sold—defended the TAB as a magnificent institution in WA that was responsible, as I am told, for distributing hundreds of millions of dollars in recent times throughout the industry. Last year alone —

Mr J.E. McGrath: It was \$120 million.

Mr P. PAPALIA: It was more than that; it was \$130 million in 2013–14, also returning to government, through the turnover tax, in the order of \$40 million. Here we have a magnificent enterprise that returns \$40 million to government and beyond to the industry, not to the deep pockets of some bloke living on the eastern suburbs of Sydney. It does not distribute to those guys with their views out over Sydney Harbour and down the harbour to the Sydney Harbour Bridge and the Opera House so that they can quaff their wine comfortable in the knowledge that the punters in Western Australia are keeping their wallets well padded. I am not talking about those blokes.

Our money—the distribution of our money from our industry—goes directly to those thousands of people whose direct livelihood is derived from the industry in Western Australia.

Mr M.P. Murray: It's 30 000.

Mr P. PAPALIA: I am told that the figure is more widely 33 680 people who are directly involved in WA racing, with 6 737 working directly in the industry. Over 30 000-plus more widely, but 6 737 people working directly in the industry are looking with very suspicious eyes at the member for South Perth. They know the fix is in. They know that there have been secret meetings between cabinet members and secret meetings between the Premier and people who would seek to buy this industry and take all of the profits to the east coast, which would result in a massive redirection of the money that currently goes to the industry. What happens with that money now? Where does it go? The member for South Perth knows that money does not go predominantly to the metropolitan area. The vast majority, 55 racing clubs, are small operations out of the city, in the regions, that get money to maintain their tracks and facilities and to support their local communities and economies through TAB distributions. What has happened elsewhere in this country when the equivalent of the TAB in those states has been sold? Invariably the returns from the industry have diminished. What will happen with the distribution? It will become completely bankrupt, as happened in Tasmania through the grubby deal done between the Premier in that state and the Tatts representatives, and resulted in a complete collapse of the industry there. Member for South Perth, what happened in South Australia? I have been told by the professionals in the industry in South Australia that the big operators are packing up and leaving because they just cannot make a living. The trainers are leaving that state because the returns to the industry, the distributions to the industry, have collapsed. The member for South Perth knows that is true; that is the case.

Mr J.E. McGrath: That is not true.

Mr P. PAPALIA: It is the case, member for South Perth. He does not have to convince me. He will have to look into the eyes of the people who formerly respected him as one of the defenders of their industry and tell them honestly that he believes that this is the right thing to do. The member for South Perth knows that it is not. He knows what was happening. Up until very recently, he was having those barbecues; he was having another set of barbecues. He had those barbecues in the past that resulted in a couple of changes and he had more, but then the horse that the member for South Perth was backing had a complete breakdown in the middle of the track! That horse broke down and the member for South Perth—a very big jockey—has been left without a horse. The member for South Perth has been compelled to sell his soul, because the member for South Perth knows that the Premier, the economic vandal that is the member for Cottesloe, has driven state net debt from \$3 billion to \$24 billion this year and towards \$30 billion, with no plan to tackle it. There is certainly no plan for any sales of assets in relation to the railway. We have heard that any assets that are going to be sold will just go into paying for that new debt. There is no plan for tackling debt. The Premier will have to grasp around desperately to sell what few assets are available.

It has been suggested to me that this industry might sell for a few hundred million dollars. It would be an absolute travesty if all we got in return for the sale of this industry—because that is what is going to happen; the member for South Perth is going to sell out the industry—is this tiny drop in the ocean of the huge state debt that his government through its incompetence has racked up. If that is all we will get, that will be a travesty. The member for South Perth knows that when an industry has been bought out like this in other parts of the world, not only do the distributions drop away, but also a profit-driven enterprise immediately wants more profit. The owners and shareholders want more profit. They do not want distributions to grow—and distributions in Western Australia have grown. In Western Australia, Racing and Wagering Western Australia has overseen a growth in turnover of eight per cent between 2010 and 2013, whereas on the east coast the comparative growth was one per cent. RWWA has grown that and then distributed it, so the growth in comparative distributions has also occurred. The member for South Perth knows that.

As we heard earlier, there is an argument about whether the TAB has distributed \$120 million or \$130 million back to the racing industry. Members will tell me that it is \$130 million. It grew from \$106 million in 2008–09. The minister would not dispute that. It was \$106 million in 2008–09 and it is now in the order of \$120 million. That is pretty significant growth. The minister knows that a private enterprise will not grow the distribution; it will grow the bit that goes back to the eastern suburbs of Sydney to pad the wallets of the blokes sitting by the harbour. That is their only objective. They do not care about the regional race clubs or the little regional towns where a lot of other people use the racetracks and the trotting tracks. The football clubs use them in the off-season. Shows are held in the facilities. Those are the sorts of things that do not count to a private operator based in Sydney on the east coast.

Mr J.E. McGrath: There are no country racetracks in New South Wales; they have all closed.

Mr P. PAPALIA: I am glad that the member said that; he is supporting my argument. The precipice is getting closer. I am saying that that will occur.

Mr J.E. McGrath: It is wrong.

Mr P. PAPALIA: Okay. The member for South Perth should stand and look those people who trusted him in the eye because they do not trust him now. He knows the sort of people I am talking about whom I met on Friday. There were about a dozen people there. They were all trainers who had been in the industry for a long time. They do not trust the member. They do not trust what this government is doing. They do not believe that the government has their best interests at heart. If that is wrong, the government should come out and say that it will not sell the TAB. If there is going to be a study of the value of the TAB and the potential return from it, it should be absolutely transparent, unlike every single study to which the government refers in the public transport arena. The minister cowardly sat opposite, incapable of giving us any transparency at all in relation to billions of dollars' worth of taxpayers' expenditure. I would like to see some transparency. I would like the Premier to tell us what he was speaking about with those private operators. He should not have secret meetings about one of the great assets of Western Australia's community.

Mr C.J. Barnett: Sorry; I was out of the chamber but as I walked in, you were talking about secret meetings. For my benefit, can you tell me what secret meetings you were talking about or were referring to?

Mr P. PAPALIA: There are concerns that the Premier has been meeting with Tatts representatives and having secret meetings about the sale of the TAB. Has the Premier had meetings?

Mr C.J. Barnett: I want to know what secret meetings we were talking about.

Mr P. PAPALIA: They are the secret meetings I am talking about. I am glad the Premier confirmed that. Other political parties have also been having meetings. My concern is that they are secret as well. The only people who are not in on the secrets are the people who are directly affected by this industry and are completely behind retaining the TAB in the state's hands. Those people do not know what is happening at the secret meetings. Those people are being told in some quarters that the Premier will be stopped and that any plans he has for the sale will be stopped in the upper house, as outlined by the member for Collie–Preston. Other quarters see indications of a sellout by a very small number of people in the racing industry who have decided, for whatever reason—perhaps due to some inducement through promises that the Premier has again made in secret—that they will come out on behalf of the Premier and support his call for the sale of the TAB because maybe the Premier made them a little promise. The vast majority of people in the industry do not agree with those people.

Mr C.J. Barnett: What is this alleged promise? Please educate me.

Mr P. PAPALIA: I do not know. All I am saying is that it was a secret meeting. I do not know what the Premier said in his secret meeting with Perth Racing. I do not know what commitment he gave to Perth Racing, which suddenly changed its position. I do not know why Perth Racing suddenly abandoned the entire racing industry that had been unified in its opposition to the sale of the TAB and started to make sounds that it might be supportive. I do not know why that was. The Premier should tell me. The vast majority of those 30 000-plus people who care about this industry and who want to keep the TAB in state hands want to know what is really going on. They do not trust the Premier or the minister at the moment. They do not trust some of the other people that they used to trust. It is appalling. The only way to regain that trust is to be open, honest and transparent and engage with people in the industry and tell them what is planned. If that is what the Premier has planned, to sell it out at a fire sale and for the future of this industry to be put in complete jeopardy as a result of his short-term mismanagement, he should tell them that that is what he has planned, because they deserve to know. These are good people and they deserve to know that.

MR C.J. BARNETT (Cottesloe — Premier) [6.45 pm]: I am just going to make a few brief comments because there are members on this side who are closer to the industry than I am and who have more knowledge, and they will talk about some of the issues that the industry faces.

I confess that I am not a great follower of the racing industry and I do not pretend to have detailed knowledge but I did grow up in a household in which my father's greatest passion in life was horseracing. He was extremely knowledgeable. He had a punt on Saturdays—probably 10 bets at \$5 each because he was not a wealthy man. His knowledge of racing, horses, breeding and jockeys was exemplary. Although I do not follow the racing industry and I am not a punter, I grew up in a racing household. As a young boy I was dragged around to not only Ascot and Belmont but also Helena Vale, York, Northam and Toodyay—to every country race meeting. Even though I was not an enthusiast—I loved the horses—I absorbed a bit of knowledge about the industry and its people.

My father always said that he had more faith in the jockeys than the horses. As a young man I remember him supporting Damien Oliver as an apprentice. I presented the last Perth Cup to Damien Oliver, who rode the

winner. I cannot remember the name of the winner; the expert does not know either. I was having a chat to Damien Oliver and telling him how my father admired his skill as a jockey. He followed Damien and he always had a bet if Damien was riding the horse. I have a bit of background knowledge of the industry and what drives it.

With respect to the TAB, if we had a clean sheet of paper and we were forming government today, would government have a betting agency? Probably not. It is not a natural, logical function of government to run a betting agency. That is the reality. No modern government would decide that it needs to be a bookmaker. However, the history of the industry is that is the way it has evolved so we have to deal with the reality.

Members opposite talked about secret meetings. I have been told today that apparently I had secret meetings with Perth Racing. That is not true; I have had no meetings with Perth Racing, none at all. A lot of rumour and innuendo is going around the industry.

In the precursor to the Liberal conference, Liberal members of cabinet met with a group of about 15 different organisations, companies, lobby groups and the like. One of them was Tatts.

Mr P. Papalia: How much did they pay for the privilege?

Mr C.J. BARNETT: I do not control that; I literally have no idea. Any political party has supporters and groups. Those meetings were transparent; they were entirely proper. Some 15 different companies came along and simply made a presentation about themselves, about what they were doing and about their aspirations.

Mr M.P. Murray interjected.

Mr C.J. BARNETT: The member should grow up a little bit.

To my knowledge, Tatts does not have a presence in Western Australia; it came along and simply described its history as a company. It talked about the sorts of areas it was involved in. Ministers here can verify that. It made a professional presentation at a corporate level to Liberal members of cabinet, as did other companies from a range of different industries, and lobby groups.

Mr M.P. Murray interjected.

Mr C.J. BARNETT: No, we conduct ourselves with propriety, unlike the Labor Party.

Several members interjected.

The ACTING SPEAKER (Mr N.W. Morton): Members!

Mr C.J. BARNETT: Mr Acting Speaker, I am happy to make a contribution, but I will not if these clowns opposite will not treat this topic seriously. It is a serious topic and it should be debated in Parliament.

Several members interjected.

The ACTING SPEAKER: Member for Collie–Preston, you have made your contribution. I have given the call to the Premier.

Mr C.J. BARNETT: I will make one comment with respect to the meeting with Tatts Group. It simply presented its company credentials, what it was doing and its arrangements. There were no negotiations, but the two issues were the future of Lotterywest—the Lotteries Commission of Western Australia—and the future of the Totalisator Agency Board. I made it very clear that Lotterywest would not be privatised, so members can forget that.

Mr M.P. Murray: You said that about the TAB!

Mr C.J. BARNETT: Those were the two issues that were discussed.

Several members interjected.

The ACTING SPEAKER: Members, please.

Mr C.J. BARNETT: I will happily sit down and we can conclude this debate, but if members opposite actually want a serious response, maybe they will listen.

Tatts runs lotteries, TABs and probably some other businesses. It is a diversified and very successful company. I made it very clear that the state government was not in any way contemplating selling Lotterywest. We are the only state that has a government-owned state lottery from which all the proceeds are returned to the community through health, sport, the arts and community grants, so that was the end of that conversation.

I made the point that we were considering the future of the TAB and that we would consider whether it would be privatised. I made the government's position clear, and that is on the public record. There was nothing new or secretive about that at all; it has been my public position for some time. I think the member referred back to 2012

or whatever it was, and the issue of the TAB came up. I do not know how the rumour started—maybe members opposite can educate me on that—but there was a rumour running around on a weekend in 2012 that the state government was going to sell the TAB. I remember it well because I was out in my ute in the paddock, feeding the sheep. I had the radio on and I heard that, so I rang up Bob Maumill on 6PR and I said we were not selling the TAB, and we were not; there was no consideration of that at all. I do not know who started that rumour.

We have now moved on two or three years, and we are looking at a range of potential privatisations, and the TAB is one of them. Let me make it clear, as I have said publicly: there will be a first group of privatisations, and the TAB will not be amongst them. I can say quite clearly today that if we make a future decision about the TAB, it will not be during this calendar year.

Several members interjected.

The ACTING SPEAKER: Members!

Mr C.J. BARNETT: No decision has been made about the TAB, but there will be, and we have been very open about that. We will consider the future of the TAB, but it will not be amongst the first three or four privatisations. They alone will probably take a couple of years to roll out. The TAB is not for sale, but we may consider that in the future. Some of the issues raised are —

Mr P. Papalia: Shameful.

Mr C.J. BARNETT: Well, honest. Refreshing for the ALP, I would have thought.

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro!

Mr C.J. BARNETT: There are issues about the TAB and there are issues about the racing codes—the gallops, the trots and the dogs, and their funding. There is no doubt about that; that is perfectly true. There are issues about the franchise holders; we are very conscious of that, and when we look at the TAB, we will discuss the issues and consult—whatever the opposition likes—with all those interested parties. Other members will probably say a little more about this, but the opposition is focusing on the TAB; fair enough. It is not a logical role of government, but the government happens to own it —

Mr P. Papalia: Like lotteries.

Mr C.J. BARNETT: Lotteries are, because we care about the people of Western Australia.

Several members interjected.

The ACTING SPEAKER: Members, there are about six minutes left for this debate. It has been heard in relative silence so far and I would like to see out the last few minutes of today's proceedings in the same fashion.

Mr C.J. BARNETT: The environment in which the TAB operates is vastly different from what it was 20 or 30 years ago. I can remember when dad took me to the races that there would be 15 000 to 20 000 people there. How many are there today? Maybe 2 000 if they are lucky. That World War II generation liked their footy and they liked their horse racing, and they would have a punt on a Saturday. Today there is a whole range of different entertainment opportunities, including television and fixed price betting. The world has changed, and racing has found itself somewhat left behind.

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro!

Mr C.J. BARNETT: Some of the issues that have been flushed out in this debate needed to be flushed out, including the racing industry, by which I mean the gallops. Can the racing industry seriously afford to run both Ascot Park and Belmont Park? I would say, with only 2 000 people turning up on a Saturday, that it cannot. That is a realistic issue to look at. Can the trots continue to run Gloucester Park, which is prime real estate? It is probably losing money. Greyhound racing no longer has a facility. What is good about this debate is that it is not simply about the TAB, but about modernising the racing industry. I do not pretend to be an expert, but a lot of studies have been done and there has been a lot of debate, and maybe we should have only one prime race track in the Perth metropolitan area. I do not know whether it should be Ascot or Belmont, but I do not think there is room for two anymore, when we are getting only 2 000 people turning up on a Saturday. That is the financial issue for the racing industry, more so than what will happen to the TAB. Can we afford to have greyhound racing and trots separate, when in other parts of Australia they are combined in one facility? Maybe that makes a bit of sense, and that has been forced out into the open by this debate.

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro, there is only four minutes to go. I am going to call you to order for the third time. I have asked on numerous occasions for this to be heard in relative silence and you continue to interject.

Mr C.J. BARNETT: Yes, this motion is about the TAB, and I do not criticise that; I think it is important, but it has sparked a wider debate around the racing industry. We are not living back in the 50s, 60s and 70s; it is the 2010s and the industry no longer attracts the crowds, the participation and the betting because there are so many alternatives. Some of the practical people in the racing industry have realised that the TAB is one issue, but there is an even bigger issue, which is the future of the thoroughbred and greyhound racing industries, and this government is up for dealing with the industry to modernise horseracing, the trots and greyhounds. I hope people in the industry are also up for it, because those codes are not making any money; in fact, they are losing money. They have an industry that has had great days in the past, but it is losing money and could well fail. It would be a negligent government that simply stood back and let the horseracing industry in this state fail. We are not prepared to do that, so we are prepared to look at the future of the TAB. Who knows, if the TAB is sold, it may generate a large amount of money and it may well fund a modernisation of the industry. There are sensible people in the industry who can rise above the pettiness of members opposite and look to a long-term future. Grass tracks are beaut, but maybe we need all-season, all-weather tracks, and maybe there is an issue for the safety of jockeys also, and fewer horse falls. There are a whole lot of issues there, and at least this government has members with some real background, such as the members for Belmont and South Perth, who know this industry intimately.

Mr M.P. Murray: The member for Belmont's been silent the whole way through!

Mr C.J. BARNETT: Well, just wait, because the member for Belmont will speak in this debate and tell members opposite something about this industry. The member for South Perth will tell them something about the financial problems that the industry faces, and the Minister for Racing and Gaming will tell them that this state government is prepared to take on the real issues of the industry.

Mr M.P. Murray interjected.

The ACTING SPEAKER: Member for Collie–Preston, there is a minute to go.

Mr P.B. Watson interjected.

The ACTING SPEAKER: Member for Albany, I call you to order for the second time.

Mr C.J. BARNETT: This debate is not going to finish today—no way at all.

Mr Speaker, we are willing to take on the serious issues. As I said, I am not a racing person but I have some sentimentality to my father who loved this industry and was knowledgeable.

Mr M.P. Murray: Did he ever back a winner?

Mr C.J. BARNETT: He did. His best bet—I think it was Arwon—won the Caulfield and Melbourne Cup double. He put \$1 on and he won \$2 000, which was a hell of a lot of money at that time. He kept meticulous records and he could demonstrate that he won every year.

Debate adjourned, pursuant to standing orders.

House adjourned at 7.00 pm
