

RACING AND WAGERING WESTERN AUSTRALIA BILL 2003

Committee

The Chairman of Committees (Hon George Cash) in the Chair; Hon Nick Griffiths (Minister for Racing and Gaming) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Commencement -

Hon BARRY HOUSE: There are very good reasons for different days to be fixed for the Bill to come into operation other than by proclamation; that is, the transfer of some functions, roles and duties to the new body. Can the minister indicate what sort of time frame is anticipated for those different days over the next 12 months or so?

Hon NICK GRIFFITHS: I thank Hon Barry House for the question. He has correctly pointed out that a number of functions need to be rolled out. The major area of timing difficulty is with the functions of the Totalisator Agency Board. My advice is to the effect that that will take a minimum of three months. I optimistically put it in the range of three to six months.

Clause put and passed.

Clause 3: Definitions -

Hon NICK GRIFFITHS: I note the amendment proposed by Hon Murray Criddle. The amendment will have meaning only if subsequent amendments proposed by Hon Murray Criddle are passed by the Committee. Those subsequent amendments will have meaning only if the amendment to clause 8 in the name of Hon Barry House fails to get up. In those circumstances, I cannot move that consideration of clause 3 be postponed because it deals with the definitions. Perhaps consideration of the amendment proposed by Hon Murray Criddle can be postponed until after consideration of clause 8?

The CHAIRMAN: Once the clause is agreed to as printed, it will be difficult to amend it. I am happy for Hon Murray Criddle to speak on the matter to see whether we can resolve the issue.

Hon MURRAY CRIDDLE: We need a clear indication of what will happen if I move the amendment and there is some debate on it. If the definition of "country" is not included in this clause, I will not vote for it. Does the minister wish to postpone consideration of the amendment?

Hon NICK GRIFFITHS: Subject to Hon Murray Criddle's agreement, I propose that we overcome the difficulty by not dealing with the proposed amendment to clause 3 at this stage but proceed to the other amendments on the supplementary notice paper. In the event that the Committee goes along with what Hon Murray Criddle has proposed, at the appropriate time I will seek to recommit clause 3 so that the matter can be debated.

The CHAIRMAN: Is the minister moving to postpone consideration of clause 3?

Hon NICK GRIFFITHS: No. I am inviting Hon Murray Criddle not to move his amendment at this stage, noting that if the Committee proceeds down the path of his proposal for country representation, as distinct from the Government's position of two, two, one representation or the Opposition's position of one, one, one representation, I will move to recommit the clause at an appropriate time.

The CHAIRMAN: That is the course of action we will have to take if we wish to deal with this amendment in due course; that is, by way of recommitment. If this amendment were to be inserted now, but other amendments failed subsequently, there would be a single redundant definition. It would not be the end of the world.

Hon MURRAY CRIDDLE: I am happy to deal with the amendment after we consider clause 8, which will decide the issue.

The CHAIRMAN: We can deal with clause 3 now. Once it is passed, we cannot return to this amendment until the clause is recommitted at the end of proceedings, so to speak.

Hon MURRAY CRIDDLE: If we deal with the amendment now, it is passed and there is no call for it subsequently, it would become redundant anyway.

The CHAIRMAN: It would exist in the legislation, but its use would be redundant, so to speak. That is right.

Hon MURRAY CRIDDLE: I move -

Page 3, after line 11 - To insert -

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“country” means that part of the State not included in the *Metropolitan Region Town Planning Scheme Act 1959*;

Amendment put and passed.

Hon BARRY HOUSE: The definition of sporting event on page 5 refers to TAB jurisdiction over other activities. Sporting event is defined in paragraphs (a), (b) and (c). If the TAB in the future decides to embark on other activities, such as betting on Hopman Cup tennis matches, the Australian Soccer League or the Australian Netball League, will this clause be too restrictive for those future activities?

Hon NICK GRIFFITHS: This definition is based on current definitions in the Totalisator Agency Board Betting Act, but I refer the honourable member to paragraph (c), “any other event that is prescribed in the rules of wagering or by the regulations as a sporting event”. That is a catch-all and cover-all for anything.

Hon BARRY HOUSE: I am satisfied with that explanation. I have no objections to the TAB expanding its activities in the future, but this legislation will return the proceeds of those wagering activities back to Racing and Wagering Western Australia for the benefit of the racing industry in this State. In the future another activity might become a very popular wagering activity. We might all want to back the Orioles in the Australian Netball League and there will be no return to netball activities in Western Australia - it will all go to racing activities. I make that observation in case that occurs in the future.

Clause, as amended, put and passed.

Clauses 4 and 5 put and passed.

Clause 6: RWWA and officers not part of public sector -

Hon BARRY HOUSE: The new body, RWWA, will include the transfer of some activities involving a couple of other bodies, for instance the TAB and a statutory authority, Greyhounds WA. At the moment those people employed by the TAB and Greyhounds WA are public servants. Over the past couple of years some industrial issues have emerged following these types of transfers. Some people currently working in those organisations are concerned they may forfeit some of the benefits they have accrued. How will this be dealt with?

Hon NICK GRIFFITHS: I thank the honourable member for his question. The matter is dealt with in the Racing and Gambling Legislation Amendment and Repeal Bill 2003 at page 26 and the pages that follow. Detailed arrangements are set out dealing with the transition of employment. Those arrangements safeguard rights and entitlements and give staff the option of making a choice over a period of two years.

Clause put and passed.

Clause 7 put and passed.

Clause 8: How the board of directors is constituted -

Hon BARRY HOUSE: I move -

Page 9, line 1 - To delete “2” and insert instead “one”.

This amendment is directed at the thoroughbred racing bodies - a subsequent amendment refers to harness racing bodies - and it changes the composition of the board of RWWA from the proposed two, two, one persons to one, one, one. The Turner inquiry originally recommended that there be no code nominees. The recommendation was for a board of seven - a chairperson and six other professional, non-aligned people - to conduct the activities of the racing industry. The legislation has moved away from the Turner recommendations in that respect. We all know the history of the original proposals and the reasons for the change. The Opposition decided to move for a board of one, one, one persons because RWWA board needs to get started on the right foot; it needs to have trust between the different codes and to have people on an equal footing. I know that the code nominees will be there for their background and experience; they will not be there as representatives. I acknowledge that they are to be elected as directors of the new board to provide background and experience from their particular codes. The Opposition believes that a composition of one, one, one will be a better outcome for the establishment of this new board because it will begin its operations with an element of trust. The board as proposed will consist of 10 members, which is a big board of directors. If this amendment is accepted it will bring the size of that board back to eight, which is still a rather large board of directors. I am not sure what represents an ideal number, but most people suggest a board of five. A board of 10 will be potentially unwieldy. A board constituted as we suggest will consist of a chairman appointed by the minister, four professional people appointed by the selection panel and three code nominees. That will maintain a majority on the board of professional, non-aligned people. It is important that in the outcome decided today the board be a professional body, be non-aligned and be functional. I hope I have summarised the main reasons for the Liberal Opposition's amendment for equal representation from each of the codes - thoroughbred, harness racing and greyhounds.

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Hon NICK GRIFFITHS: Hon Barry House has put the arguments very well, but he moved from the description of nomination to representation. I recognise that he accepts the proposition of nomination and the argument is about whether the size of the board is adequate. That is where the argument should lie, rather than with the false issue of representation. This is not about representation. When a person is appointed to the board, albeit from a nomination process from a code, that person is not representing the code, but is providing the board with knowledge and experience so that the board can operate efficiently. Given the size and complexity of the thoroughbred racing code, it is the Government's judgment that two people with that knowledge and experience should be on the board. It is a matter of judgment. If it is the case that the judgment turns out to be wrong, the matter can be addressed when the Act is reviewed. Frankly, it may well be, if the amendment is defeated, that it will not be necessary over the years to have a board of the size contemplated by the legislation. The proposal in the amendment may come to pass, or other alterations may be made to further reduce the size of the board. That may be for the good of all concerned. However, in terms of the complexity and the size of the thoroughbred racing code in Western Australia, it is desirable, at least early in the operation of the board, that at least two people be involved from that code.

Hon Barry House made a telling point: he said the board needs to get off on the right foot. In his observations yesterday, Hon Norman Moore made reference to the principal club functions of the Western Australian Turf Club and, I think, the Western Australian Trotting Association. The principal club functions of the Turf Club, the Trotting Association and the Greyhound Racing Authority are to be transferred to Racing and Wagering Western Australia. When an institution, whether it be the WATC, WATA or WAGRA, gives something up, it needs to have the comfort of confidence in the body taking over those functions. Part of that confidence will lie in the knowledge that sufficient people are on the board to deal with the complexities that arise with the administration of the principal club functions of the codes. That is why it was first proposed that two nominees be from the thoroughbred racing code, and that is why it is still the Government's preferred position.

Hon MURRAY CRIDDLE: I take this matter a little further because it is the crux of my earlier comments on clause 3. I would like to hear from the Government and other parties whether they will support the amendments I will move regarding country people if the Committee agrees to two nominees of the thoroughbred racing code being on the board. Perhaps the minister will provide an outline of his intentions. Other parties might take the hint also and indicate whether they will support my amendment, which follows Hon John Fischer's amendment.

Hon NICK GRIFFITHS: Hon Murray Criddle is asking me to disclose my hand. I should do so as we should proceed in an open and proper manner in this Committee. I might receive support for the proposition of two nominees from the thoroughbred code. People may say that an opportunity arises if two thoroughbred nominees are agreed to, and it will be fantastic if the Government supports Hon Murray Criddle's course of action.

Hon Murray Criddle: The point is that this has been a close discussion in our party.

Hon NICK GRIFFITHS: I know. The Government opposes the amendment moved by Hon Barry House. If the amendment moved by Hon Barry House is defeated, and the subsequent amendment relating to harness racing is also defeated, the Government will oppose the amendments Hon Murray Criddle has placed on the supplementary notice paper. If the amendments proposed by Hon Barry House concerning the number of nominees on the board are passed by the Committee, the Government will also oppose Hon Murray Criddle's amendments; in those circumstances, they would be redundant.

Hon BARRY HOUSE: I am pleased to indicate to Hon Murray Criddle that the Liberal Opposition will support his position as a fall-back position to our original amendment. The preferred Liberal position is one, one, one. We have considered this matter at length. Clause 8(1)(e) outlines in relation to the constitution of the board -

4 persons selected for their expertise in management, finance, business, commerce or information technology.

This should cover the broad issues within each code. A later clause in the Bill stipulates that attention be paid in the roles and functions of RWWA to all elements of thoroughbred racing, harness racing and greyhound racing in terms of country and city matters. I know they are only words, but they are very important words. Any stakeholder in any part of one of those industries in future can refer those words back to RWWA and its directors to make them accountable.

Hon JIM SCOTT: The Greens (WA) support the amendment moved by Hon Barry House. I strongly believe that it will establish ideal representation. The Turner report clearly indicated that it was undesirable to have clubs bickering over which code would get the best deal out of arrangements. However, if representation from the clubs is excluded, vital grassroots information will be precluded. Equal representation of the codes, not from people who act as delegates, but from members who can report on the concerns of grassroots members, is exactly what is needed. A majority of club members is not a good idea because, by their weight of numbers,

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they could override sensible management decisions. For that reason, the Greens strongly support this amendment and the subsequent amendment concerning the harness racing bodies. As Hon Murray Criddle said, a two, two, one weighted membership would favour the codes rather than the management-based group within the committee. I would therefore look more favourably at breaking down that situation by supporting representation of country codes. If this amendment is not passed, the Greens will seriously consider supporting the subsequent amendment to be moved by Hon Murray Criddle.

Hon JOHN FISCHER: One Nation will not support the amendment moved by Hon Barry House. As I outlined clearly in my speech during the second reading debate, it is important that two members each from harness racing and thoroughbred racing are on the board. The thoroughbred industry is far too widespread throughout this State to justify representation from one club given a new board is being established. It will be to the board's benefit to be able to garner as much information as possible. That would be much easier if two representatives were on the board from the thoroughbred industry. In light of my support of two representatives from the thoroughbred industry, it is equitable that I support two representatives from the trotting industry.

Hon JIM SCOTT: I forgot to add in my remarks that one of the concerns expressed to me is that representatives from a particular code might dominate the proceedings. The whole purpose of arguing for one representative from each code is to avoid dominance by one particular code. I hope that the minister can indicate to members that he will not consider appointing someone from one of the codes who has expertise in finance, business, commerce and information technology. It would enable the management committee to be dominated by the codes rather than be informed by them. I appreciate that the minister cannot guarantee that, but if he could assure the House that he will use his best endeavours to ensure that will be the case, I will be much happier.

Hon NICK GRIFFITHS: The four persons to be selected will be selected by a selection panel. Whoever selects them must be guided by the words enshrined in the statute.

Hon JIM SCOTT: Perhaps the selection panel will take into account the words expressed in this Chamber. I hope that other parties in this place and the Independent member will support the concept that no code should dominate the proceedings. I would like to hear the views of other members to provide an indication for the selection panel of how the House feels. If it is the belief of the House that one industry should not dominate meetings, it is very important that the House express that opinion, in which case, regardless of the code representation on the board, the panel will be guided by the views of this House.

Hon NICK GRIFFITHS: I note Hon Jim Scott's comments. The matter is dealt with thoroughly in clause 10, which provides quite a long list of persons who are not eligible to be a director or a member of a selection panel. I refer the member to subclause (2). I suggest that the intent of the member's comment is reflected in the wording of the Bill.

Hon BARRY HOUSE: It is my clear understanding also that the selection of the four other directors by the selection panel is almost a separate process within a larger process. The selection panel is constrained by the legislation and the persons appointed must have a commerce, financial, legal and marketing background to provide the professional expertise that the new board will require. Someone with experience in regional development should also be considered. Members who have spoken on this legislation have all said that the composition of the board must not be corrupted in any way by a particular code, political process or party. Otherwise the credibility of the board will be in doubt from the start and its operation will be severely jeopardised. It is important that the board is a professional and non-aligned independent body. Otherwise, its ability to perform the task that everybody wants it to perform will be severely limited.

Amendment put and a division taken with the following result -

Extract from *Hansard*
[COUNCIL - Thursday, 12 June 2003]
p8650c-8671a

Hon Nick Griffiths; Hon Barry House; Chairman; Hon Murray Criddle; Hon Jim Scott; Hon John Fischer; Hon Robin Chapple; Hon Norman Moore; Hon Peter Foss

Ayes (15)

Hon George Cash	Hon Ray Halligan	Hon Simon O'Brien	Hon Derrick Tomlinson
Hon Robin Chapple	Hon Barry House	Hon Jim Scott	Hon Giz Watson
Hon Paddy Embry	Hon Dee Margetts	Hon Christine Sharp	Hon Bruce Donaldson (<i>Teller</i>)
Hon Peter Foss	Hon Norman Moore	Hon Bill Stretch	

Noes (12)

Hon Kim Chance	Hon Sue Ellery	Hon Nick Griffiths	Hon Ljiljanna Ravlich
Hon Murray Criddle	Hon John Fischer	Hon Frank Hough	Hon Ken Travers
Hon Kate Doust	Hon Graham Giffard	Hon Louise Pratt	Hon Ed Dermer (<i>Teller</i>)

Pairs

Hon Alan Cadby	Hon Jon Ford
Hon Barbara Scott	Hon Tom Stephens
Hon Robyn McSweeney	Hon Adele Farina

Amendment thus passed.

Hon BARRY HOUSE: I move -

Page 9, line 3 - To delete "2" and insert instead "one".

To complete the one-one-one composition, we have proposed deleting "2" and inserting "one" for the eligible harness racing bodies. This complements the previous decision of the Committee.

Hon NICK GRIFFITHS: In the circumstances, it would be a nonsense to oppose the amendment.

Amendment put and passed.

Hon BARRY HOUSE: I move -

Page 9, line 7 - To insert after "finance," -

product and service marketing, law,

The purpose of this amendment - originally it included information technology - is to beef up the range of professional experience and attributes that the four persons selected by the selection panel will need to have when providing the service that will be needed for the new body. They have been selected very carefully. The reference to information technology, which was accepted by the Legislative Assembly during its deliberations on the Bill, is vitally important because of the understanding that is needed for the operation of any modern business, particularly a business like the Totalisator Agency Board. The Opposition feels that the new professional body should have some expertise in marketing, and of course the law.

Hon NICK GRIFFITHS: The Government opposes the amendment. The subclause currently reads "4 persons selected for their expertise in management, finance, business, commerce or information technology". Those words do the job. It is not necessary to add further words. Product and service marketing could come under business or commerce. I never thought I would say this, but why would we want to insert the word "law"?

Hon Norman Moore: Why would you?

Hon NICK GRIFFITHS: If the board needed to obtain legal advice and a lawyer was on the board as a director, that lawyer in the normal course of events would join with the other members of the board in seeking that independent legal advice. There is no need to be so prescriptive as to say that there must be someone on the board with expertise in law. The words that are currently in the clause do the job.

Hon BARRY HOUSE: The purpose of the amendment is simply to provide a few more words to ensure that all the bases are covered. The Opposition supports the amendment, but if it is the wish of the Committee we will not divide on it.

Hon JIM SCOTT: The Greens (WA) believe the minister is correct and the current terminology will cover the matters raised by Hon Barry House. Therefore we will not be supporting the amendment.

Hon MURRAY CRIDDLE: I accept the minister's assurance that these matters will be taken into account when the members of the board are selected. On that basis we believe there is no need for the amendment.

Amendment put and negatived.

Hon Nick Griffiths; Hon Barry House; Chairman; Hon Murray Criddle; Hon Jim Scott; Hon John Fischer; Hon Robin Chapple; Hon Norman Moore; Hon Peter Foss

Hon BARRY HOUSE: I seek some clarification from the minister. Subclause (2) states -

At least one of the persons selected for the purposes of subsection (1)(e) is to have knowledge of, and experience in, regional development.

I applaud the insertion of those words. I understand that was done at the behest of some representations that were made prior to the introduction of the legislation into the Parliament. Can the minister explain what that means? It is quite vague. The minister's explanation will help to clarify for the Chamber whether those words are meaningful. I sincerely hope they are.

Hon NICK GRIFFITHS: The words are broad in meaning, and intentionally so. They were arrived at after consultation, in particular with the member for Avon. The reason that these words have been inserted is to ensure that the interests of the non-metropolitan area are further advanced. Other clauses in the Bill will achieve that end, particularly clause 35 which sets out the role of Racing and Wagering Western Australia, but this is a further enhancement of that role to provide that the board must ensure that the interests of the industry outside of the metropolitan area are not just safeguarded and protected but enhanced.

Hon BARRY HOUSE: Subclause (4) states that the chairperson of the board is to be appointed by the minister. We all acknowledge that the chairperson will be a critical appointment. I seek some explanation from the minister of what criteria he will use in making that appointment. I do not expect the minister to nominate a person - I will not go down that line - but it is important for the community of Western Australia, particularly the racing community, to have on the parliamentary record the minister's statement of what criteria will be used for this important appointment.

Hon NICK GRIFFITHS: The decision that I will make on who will be the chairperson of the board will be crucial for the success of Racing and Wagering Western Australia. I have placed on the record, in the form of a document that members may have read this morning, that I believe it is essential that the person be capable and be accepted and respected by all three codes. The chairperson of the board will need to have the capacity to think strategically, and to lead and bring the board members together. The chairperson will also need to have the drive to succeed, because this will be a very challenging task. Other than conferring with government officers about the sort of person at whom we should be looking, I have not advanced the process at this stage; because in my view to do so would be presumptuous considering that the Parliament has not yet made a decision on the Bill. However, in the event that the Bill is passed, I will be conferring further with my public sector advisers, and following that I will engage in consultation with significant people in all the codes.

Clause, as amended, put and passed.

Clause 9 put and passed.

Clause 10: Certain persons not eligible to be a director or a member of a selection panel -

Hon BARRY HOUSE: Some sensible provisions are included in this clause. However, I want some clarification from the minister that it will not be too prescriptive. Subclause (1)(d) refers to an employee or officer of a racing club. I believe that is covered elsewhere in the Bill. However, this means that somebody who is currently an office holder in a racing club needs to relinquish that role if he or she is appointed a director. I seek clarification of that from the minister. Various stakeholders have put to me the view that a person should not have been an officer in a racing club of any sort for a significant time - perhaps up to five years. I welcome the minister's view on that matter. I do not think that is sensible, fair or even reasonable. For instance, I would not like to preclude people like Rick Hart or Mick Lombardo. I have plucked the names of those two people out of the air. They have significant experience in business, but also have fulfilled significant roles in racing bodies. Should the occasion arise in the future, such people should not be excluded from becoming directors of the new body and making a contribution.

Hon NICK GRIFFITHS: I suggest that the terms of clause 10 provide a proper balance. I do not agree with the proposition that somebody would be excluded for a period of five years. I refer the member specifically to clause 10(2), which states -

... a person is also not eligible to be selected as a director under section 8(1)(e) -

That deals with the four non-code nominees -

if the person is or has been, at any time during the preceding 2 years, a member of the committee of a racing club or the holder of an office on the governing body ...

That deals with the selection panel for non-code nominees. I suggest that subclause (3) provides the proper balance. A person can become a director, but that person must resign from the office he or she currently holds.

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Hon ROBIN CHAPPLE: Under clause 10, I refer to the appointment of the four officers under clause 8(1)(e). As long as the person has not been active in the industry for two years, that is acceptable. Has any consideration been given to the fact that any of those people appointed under clause 8(1)(e) may or may not have a predisposition to favour one or other of the codes as a result of a position they held prior to the two-year period, because there may be some bias as a result of that previous appointment?

Hon NICK GRIFFITHS: It is very difficult to read people's minds. One would trust that that would not occur. However, we are on earth, not in heaven.

Hon ROBIN CHAPPLE: It is more to do with the person's history in the industry and whether, prior to that two-year period, the person had been involved with, say, the Western Australian Trotting Association or one of the codes.

Hon BARRY HOUSE: I also seek confirmation from the minister that these people, as directors, will be subject to the normal provisions of company law. Another point that the minister might like to consider is that the remuneration of the directors could well be important when it comes to attracting people who would want to be involved. Figures such as \$15 000 or \$25 000 have been bandied around as the possible remuneration for directors. I suggest that a director of high calibre would not be particularly swayed by a remuneration of \$15 000 or \$20 000, when that person would probably be able to earn multiples of that in the normal marketplace. Somebody would need to have a certain purpose in mind to take on a role with a remuneration of that meagre amount. Perhaps the minister will canvass those couple of matters.

Hon NICK GRIFFITHS: The obligations of directors are governed by the Statutory Corporations (Liability of Directors) Act 1996. I also refer the honourable member to clause 14, which deals with the licensing of directors. The directors need to be licensed by the Gaming Commission. This may be of interest to Hon Robin Chapple. The commission, in doing that, informs itself of the reputation, financial status and capacity to be concerned in the management of Racing and Wagering Western Australia. In these four Bills, there are a large number of interlocking provisions designed to enhance integrity and to make what is proposed work, and hopefully not be too prescriptive in doing so. I note the point the honourable member made about remuneration. We are talking about directors.

Clause put and passed.

Clauses 11 to 16 put and passed.

Clause 17: Remuneration and allowances -

Hon BARRY HOUSE: This is the clause under which I should have raised the last matter on remuneration. Has a figure for remuneration of the chairperson and directors already been established; and, if so, what is it, and what were the thought processes behind establishing that figure in order to attract the best possible people to put themselves forward?

Hon NICK GRIFFITHS: The answer to the first part of the question is no. In answer to the second part about the processes to be undertaken, I will be seeking advice from relevant people in the public sector on this issue.

Clause put and passed.

Clauses 18 to 34 put and passed.

Clause 35: Functions in relation to racing in general -

Hon JOHN FISCHER: I will put a question to the minister about an issue I raised in my second reading contribution. I asked whether Racing and Wagering Western Australia will be in control of all marketing or whether each code will control its own marketing. The minister implied that it was explicit in the legislation. I do not agree with that. That type of answer made me give very strong consideration to whether I would vote for a sunset clause. Clause 35(1), to which the minister referred in answer to my question, clearly states -

Without limiting the functions of RWWA . . . it is a function of RWWA -

. . .

- (c) to undertake and manage racing industry strategic planning, promotion, marketing, sponsorship and administration;

I fail to see, as the minister's answer implied, any provision for clubs to carry out their own advertising and marketing. I said that it was poorly spelt out in the legislation, and I maintain that position. I think the minister's original answer was facetious.

Hon NICK GRIFFITHS: I am sorry that Hon John Fischer thought my answer was facetious; it certainly was not meant to be. I gave him my understanding.

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Hon John Fischer: It does not mention clubs.

Hon NICK GRIFFITHS: No, it does not mention clubs. Nothing in the current legislation prevents clubs from engaging in their own marketing, and one envisages that they will continue to engage in their own marketing. It is unnecessary to put in legislation that a club - for example, the very successful Kalgoorlie Boulder Racing Club - be permitted to carry out its own marketing. Legislation requires certain people to do things, but this is a normal, everyday activity of racing clubs the length and breadth of Western Australia. Again, I do not think I was being facetious in my answer to the member. This legislation gives RWWA the role of carrying out marketing in the interests of the industry as a whole. That is RWWA's job - to deal with the industry as a whole. However, the clubs will be able to carry out their activities.

Hon John Fischer: My question to the minister was about the association between the clubs and RWWA. The legislation does not mention any role for the clubs. However, it clearly sets out the power of RWWA over and above that of individual clubs. I asked for clarification on that matter and I do not think the minister supplied it.

Hon NICK GRIFFITHS: That is the member's view, but I thought I did. I trust that I have clarified the issue now.

Hon BARRY HOUSE: I will develop Hon John Fischer's comments a little further. It is worth noting once again that this legislation does not provide for the industry bodies that were recommended in the Turner report for harness racing, thoroughbred racing and greyhound racing. It takes out that extra layer of administration. I am not sure whether that is particularly relevant to the comments of Hon John Fischer. However, marketing could be conducted by any one or all of those bodies.

I also reiterate the provisions of clause 35(1)(b), which outlines the functions of RWWA; that is, to foster the development, promote the welfare and ensure the integrity of metropolitan and country thoroughbred racing, harness racing and greyhound racing, in the interests of the long-term viability of the racing industry in Western Australia. They are very important words on which the whole industry is pinning its faith in the establishment of the new body. The new body must remain true to and perform this function in the interests of everyone involved in the industry, otherwise its credibility will be damaged and it will fail. I do not want to see it fail. I am sure no-one in this Chamber or in the particular codes or clubs want to see it fail. This overall protective clause represents the trust that everybody in the racing industry is placing in the new body. I know I am repeating what has already been said, but it is important that this clause is adhered to and administered very well by the new body.

Hon ROBIN CHAPPLE: Can the minister confirm that there will be equitable representation for country and metropolitan thoroughbred racing, harness racing and greyhound racing under clause 35(1)(b)?

Hon NICK GRIFFITHS: It seems that I have lost the argument in persuading people that this board is not about representing the interests of particular codes. It is a board designed to do the right thing by all the codes throughout Western Australia under the terms of clause 35(1)(b). It is not about representing a section or interest. As we have progressed through the legislation, I trust that the Committee and the member in particular have noted that several aspects of the legislation have been put there purposely to enhance the interests of the codes throughout the State, in not just the metropolitan area but also, and in particular, the non-metropolitan area.

Clause put and passed.

Clauses 36 to 48 put and passed.

Clause 49: Functions of IAC -

Hon NORMAN MOORE: Division 2 establishes the body called the Integrity Assurance Committee, which, I gather, is a committee set up by the board. It has the role of ensuring the integrity of the industry, which is absolutely vital if it is to have a future. We all know that the three codes currently have very stringent requirements for such matters as the operation of stewards, drug testing and control, racing appeals, handicapping and other matters of that nature, which are vital to maintaining the integrity of the racing industry. I am happy for this committee to be established, but I am a little concerned about subclause 49(3), which states -

The IAC is to comply with any direction or requirement of the board.

I presume the board in this case is the Racing and Wagering Western Australia board.

Hon Nick Griffiths: Yes.

Hon NORMAN MOORE: Does that in any way impinge upon the independence of the Integrity Assurance Committee? For example, under the current arrangements, the Western Australian Turf Club could direct the stewards to a particular finding that may not be in the best interests of the Turf Club or racing generally, because

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somebody in the Turf Club may have a particular interest in a matter being investigated by a steward. This committee has been given the role of ensuring that we have an industry that does have integrity. I would be interested in the minister's views about the capacity of the board to direct or require the IAC to do what the board wants it to do. Does that in any way compromise the independence of the IAC?

Hon NICK GRIFFITHS: Hon Norman Moore raises an interesting point. When I first saw the initials IAC, I thought I was dealing with some international committee. This situation is different, for example, from what might occur in the current arrangements of the principal clubs. If the provision in subclause (3) were to apply to the current principal club arrangements, I would share the honourable member's concern, but the RWWA board is a different entity from the committee of the Western Australian Trotting Association, for example. We earlier discussed matters dealing with integrity, selection and the like, but the Integrity Assurance Committee will be a committee of the board. The board will choose who is on it and will be able to change its membership. The board may decide that the membership will comprise members of the board - a subcommittee - but that is a matter for the board. RWWA is a new development in that context and it was considered desirable to enable the IAC, which is a creature of the board, to be subject to the direction of the board.

Hon NORMAN MOORE: Unfortunately, the minister's comments have raised a small alarm bell in the back of my mind. If we look at the whole of clause 49 - the parts I have not referred to already - the functions of the IAC are outlined under subclause (1) -

The IAC has primary oversight of those aspects of RWWA's functions that relate to -

- (a) stewards;
- (b) drug testing and control;
- (c) licensing and registration;
- (d) handicapping; and
- (e) racing appeals.

Subclause (2) states that the IAC -

- (a) is to advise RWWA on the matters for which the IAC has primary oversight; and
- (b) has such other functions as RWWA may confer on it.

Under clause 49(1), this committee, which may be a subcommittee of the board or presumably a committee of other people appointed by the board, has primary oversight of functions relating to stewards, drug testing etc. If it has primary oversight of those issues and the board of RWWA has the capacity to direct the IAC, I can see a potential problem developing. The board, with its power to direct, might direct this particular IAC to go down a path that is contrary to the best interests of the code. I will not even try to imagine an example.

Hon Nick Griffiths: I am interested in the point the honourable member is making, but I do not see any basis for his concern.

Hon NORMAN MOORE: We have agreed to set up an integrity assurance committee to maintain integrity, assure the board of the integrity of the industry and have primary oversight of those issues relating to integrity in the industry - stewards, drugs etc - yet the board will be able to direct it.

Hon Nick Griffiths: It is a creature of the board.

Hon NORMAN MOORE: I understand that, but other organisations have independence in these sorts of things. Letting the board direct the committee may compromise its independence - it is appointed by the board. If a particular position is taken in respect of drugs or stewards that the board does not like, the board can direct the committee to take a different point of view. The board may seek to protect a set of circumstances against a view that the IAC might have, and the board being able to direct the committee may create a situation in which there is conflict of interest and in which the board might take a course of action that could compromise the independence of the IAC. The minister needs to explain better why this committee appointed by the board needs to be capable of being directed by the board in respect of those issues that relate to integrity. When dealing with issues of integrity, it is often better for independent judgments to be made rather than the people making those judgments being directed by somebody else.

Hon NICK GRIFFITHS: The committee is not meant to be independent; it is meant to be a creature of the board. I refer the member to one of the functions of the board in clause 35(1)(a), which states -

to control, regulate and supervise racing in the State;

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and to other clauses with which the committee has dealt, such as clause 44 which deals with disciplinary matters and clause 45 which deals with the rules of racing. What is proposed in subclause (2) is the mechanism whereby the board deals with one of the aspects of one of its functions and, given that we are not talking about the traditional old principal club arrangements but a board which is to be established to deal with these issues, that conflict does not arise.

Hon Norman Moore: This board is taking over the principal club functions of the Turf Club. Can the Turf Club direct a steward on a particular finding he might make?

Hon NICK GRIFFITHS: The stewards operate under the rules of racing. My understanding is that under the current arrangements directions can be given by committees of principal clubs to stewards. I will move away from that proposition for a moment. Under current arrangements, if someone is aggrieved about a steward's decision, that person can appeal to a committee of the principal club, but my understanding is that the WATC does not operate in that way and has not done so for some time. I do not think the Western Australian Trotting Association does now, but has relatively recently. I am not quite sure what the WATA does now in that regard. We are talking about a different body from the committees of principal clubs.

The CHAIRMAN: I understand that a photographer has been given permission to access the Chamber between 2.00 pm and 4.30 pm to record the activities of the House for historical purposes. The photographer represents not the media but the department.

Sitting suspended from 1.00 to 2.00 pm

Hon NICK GRIFFITHS: I will clarify what I said earlier about the relationship between the committees of principal clubs and the stewards. My advice is that the committees of principal clubs can direct stewards to carry out an inquiry but they cannot direct the result of the inquiry. I note the comments made by Hon Norman Moore before lunch about clause 49(3). I agree with the proposition that it is very important that the stewards be free from any direction to produce any particular result. I would be very concerned if the provision allowed that to happen. I do not think it will but I note the concern raised. The integrity of the industry has to be safeguarded at all costs.

Hon JIM SCOTT: I understand what Hon Norman Moore was concerned about. Clause 35(1)(b) refers to the functions of the RWWA; in particular, it states "to foster the development, promote the welfare and ensure the integrity of metropolitan and country thoroughbred racing". Clause 49(3) states -

The IAC is to comply with any direction or requirement of the board.

It must be consistent with the functions outlined in clause 35. That should take away any concerns that members have, because the functions deal with integrity. The board could not be directed on matters that fell outside that.

Hon NORMAN MOORE: I thank the minister for his comments. My concern is the relationship between the board, the Integrity Assurance Committee and the stewards, and particularly the need for the stewards to carry out their functions without fear or favour. The minister is correct in stating what currently happens. Principal clubs cannot direct stewards to a particular finding. As long as that situation continues to exist and clause 49(3) cannot be used by the board to direct the stewards to do things they do not want to, I am quite happy with the explanation.

Clause put and passed.

Clauses 50 to 104 put and passed.

Clause 105: Allocation of RWWA's funds before 1 August 2005 -

Hon BARRY HOUSE: I move -

Page 67, line 2 - To insert after "and" the word "ending".

The amendment concerns the allocation of TAB profits to the stakeholders in the racing industry. It is the most contentious issue in the legislation. As members have discovered, views in the racing industry range from one extreme to the other. There is some justification for the points of view of most commentators. It is our job to come up with workable legislation that will provide the racing industry with some security and discretion for it to manage its own affairs in the future. I am comfortable with that general direction. We have all tossed around different ideas over recent months and decided on a course of action. The Opposition's course of action is to present this amendment, which proposes to extend the transition period from two to five years; that is, from 2005 to 2008. It involves the distribution of the first \$50 million of TAB profits in accordance with the current statutory formula. Thereafter, the formula will be at the discretion of the board. The rationale in reaching this position on this vexed issue is that we must provide the board with some stability, security and fairness for all stakeholders in the racing industry with which to operate, certainly in the immediate future and then thereafter.

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We also want there to be some parliamentary oversight of the legislation and the operations of the new board. Views in the industry range from wanting to retain all parliamentary control forever and a day to removing completely Parliament's role in the scheme of things. There must be a happy medium. A later clause is a review clause that, once again, involves the issue of parliamentary scrutiny and oversight. This amendment seeks to extend the period for RWWA to compulsorily allocate the first \$50 million of TAB funds for the next five years as opposed to the next two years, the time currently contained in the Bill. The Opposition believes that is a responsible position to take. The new body will take some time to settle, establish itself, and get its administration and processes in order. It will also take some time to gain the trust of and establish credibility with the entire racing industry; that is, all the codes and clubs. It will be a huge task. The belief is that two years may not be enough to provide security for certain elements in the industry. I will not go into specifics, but we all know that certain stakeholders in the industry feel insecure about entering this unknown world. We all know the elements who want full discretion tomorrow because they believe they will benefit from the process. They may or they may not; it will be up to the new board. In the meantime, it would be good policy for this Parliament to take out some insurance to at least establish a time limit for the distribution of funds. In that case, all the stakeholders involved, whether they be country racing clubs, country trotting clubs, the Fremantle Trotting Club or the Western Australian Turf Club, would be provided with some certainty on the level of funding they will get over five years. The Liberal Party believes that is a responsible position. That would allow a decent transition period in which to impose this requirement on the new board.

Hon NICK GRIFFITHS: It is obvious to the Committee and to those in the community who have been following this debate that the Government will oppose this amendment. I have taken advice on the wording of Hon Barry House's amendment. In the event that it is passed, I would prefer it to be technically correct. I have an amendment that the member may consider substituting for his. The reason for altering the member's amendment is that the racing year commences on 1 August and ends on 31 July. To accommodate that, I present him with this new amendment, which I am advised is better. If the honourable member agrees with that course, he can withdraw his amendment and move my proposed amendment.

The CHAIRMAN: I will wait for a few minutes so that Hon Barry House can consider that amendment.

Hon JIM SCOTT: Can that amendment be given to other members?

The CHAIRMAN: I will distribute that proposal to members who will speak on the Bill and those who are interested, so that all members will know what we are talking about.

Hon BARRY HOUSE: I have moved my amendment, which is the first of a series of amendments that I propose. I have quickly glanced at the minister's suggested amendment. It reflects what I am trying to achieve and it may be a much cleaner, clinical way of doing it. Therefore, I am pleased to withdraw my current amendment and substitute -

The CHAIRMAN: Before the member does, I would like other members to read the proposed amendment and then the member can seek to withdraw his amendment.

Hon BARRY HOUSE: Having read the amendment that has been circulated, I believe it probably covers my proposal better and more clearly. I seek leave to withdraw my previous amendment and then I will move the new amendment.

Amendment, by leave, withdrawn.

Hon BARRY HOUSE: I move -

Page 67, lines 2 and 3 - To delete the words "For the racing years commencing on 1 August 2003 and 1 August 2004" and substitute -

For each racing year commencing on or after 1 August 2003 until 31 July 2008

Hon MURRAY CRIDDLE: I made it clear during the second reading debate that after much discussion with many people in the industry it is the National Party's view that the board can manage the situation under the provisions of the current Bill. We will support the unamended Bill. I outlined my reasons for that during the second reading debate. The quality of the membership of the board will be such that it will have the capacity to distribute the funds between the three codes in a meaningful way in two years. For that reason, after a lot of discussion, we will support the Bill. We will not support the amendment.

Hon JOHN FISCHER: One Nation will support the amendment moved by Hon Barry House for the reasons I expressed during the second reading debate and during the committee stage. We will not support the sunset clause. The more time we have to bed down this legislation, the better. We will support the amendment.

Hon JIM SCOTT: This has been the most difficult clause for me to deal with. I can see the merits of both sides of the argument. The stakeholders have expressed quite a few different opinions. It has been difficult to sort the

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wheat from the chaff, and I am still not sure that I have done so properly. This issue is not cut and dried. We are talking about a large and required change to the racing and wagering system in this State. The large handover that is being asked of the different groups requires trust and an understanding of the different groups' positions. On the one hand, I have been told that the sooner we put a better management position in place, the better off the industry will be. The new professional body will be able to manage its own resources in a professional way, which is a good thing. On the other hand, people have said that they will need more time to set up their business plans and consider the business plan of the Totalisator Agency Board, which will require much thought. Aligned to that is an open way of examining how the system will work. At the end of the day, I fall between the two positions, which makes the situation very difficult. During recent talks with various people, opinions have been flung backwards and forwards. Although everybody wants the system to change and to be better managed, the bottom line is that a two-year transitional period is not enough. Although extending the transition period to 2008 will provide additional time, some people are concerned that we need to get on with it, otherwise we will continue down the same old path. This is quite a crucial changeover, and this clause is crucial to that changeover. In my opinion, the 2005 deadline should be extended to 2006 to give people the time to put their business plans in place. I would like to hear what other members of the House think about that suggestion, because as we go along I am still debating this issue in my head. Ideally, the transition period should be extended to 2006, not 2008. That is the minimum time it will take for the industry to get its act together. It will be hard for the various clubs to do that, even though changes to the system must be made. I would like to know whether members from both sides of the House will consider an intermediate position, because if it is likely to get up, I would certainly like to move such an amendment. I know that the Government and Opposition want different things. The two-year transitional period will put pressure on people to ensure that they reach a workable position and one that they know will survive beyond 2005. That date may have been okay when the Bill was first envisaged. However, by the time the Bill comes into effect, we will have lost a year.

Hon NORMAN MOORE: I will try to persuade Hon Jim Scott to the view that Hon Barry House's amendment is more helpful to the industry than his current middle-of-the-road position. Hon Jim Scott's position is better than the Government's position by one year. However, it ought to be better by an additional two years. The member should keep working on that.

We need to understand that under the Government's legislation, the current distribution of the Totalisator Agency Board funds will remain in place for two years. I understand that situation quite well having been responsible for it under the Totalisator Agency Board Betting (Modification of Operation) Act 2000. The purpose of that Act has been misrepresented in many ways, but it was intended to be a guarantee to each code that it would receive a certain proportion of the first \$50 million of the Totalisator Agency Board's distribution. At the time the legislation was introduced, the TAB distribution was a little over \$50 million. We gave the minister the discretion to spend above the \$50 million to look after areas of need. The minister is proposing to leave that in place for two years with the exception that the funds in addition to the \$50 million will be spent by the board, not the minister. I do not have a problem with that. If the House agrees to the Government's Bill, that will cease in two years and all the moneys - not just the first \$50 million - will be allocated by the board with no constraints other than clause 106(3), which is a best endeavours clause. Perhaps by way of interjection the minister could tell me the Totalisator Agency Board's profit for distribution last year.

Hon Nick Griffiths: Between \$59 million and \$60 million.

Hon NORMAN MOORE: I will use \$60 million as it is a nice, round figure.

Hon Nick Griffiths: Just acknowledge that the price of carrying out principal club functions is estimated to be between \$8 million and \$9 million.

Hon NORMAN MOORE: If the House agrees to the Government's legislation, in two years all the money will be distributed by Racing and Wagering Western Australia, with the exception of \$8 million or \$9 million, which the minister said will be needed to operate Racing and Wagering Western Australia.

Hon Nick Griffiths: That is for the principal club functions. Matters to do with the TAB are on top of that.

Hon NORMAN MOORE: The TAB's operating expenses come out of its revenues ahead of what it gives to the codes, so that is a bit of a furphy.

Hon Nick Griffiths: It is not a furphy. You used the expression "what it costs to operate".

Hon NORMAN MOORE: All right. The minister is being pedantic; it makes no difference to my argument. In effect, that means that from the \$60 million to be allocated, \$8 million or \$9 million will be spent on the principal club operations of the board. On the basis of the current profit of the TAB, that would leave about \$51 million to be expended. That would mean that for the next couple of years, if the situation remains the same, the board would have no discretion. I suspect the revenues will grow as they have done in the past by \$4 million or \$5 million a year.

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Hon Nick Griffiths: It is expected to be in the region of \$63 million in this racing year.

Hon NORMAN MOORE: There we are. The revenue has grown by a further \$3 million this year. It is increasing. As I explained during the second reading debate, the amount generated by the TAB in the past 10 years has more than doubled. There is growth in the system. The \$50 million should remain in place, because the amount above the \$50 million, which will be available for the board to spend, will grow annually. For example, if it grows by \$5 million a year, by 2008 there will be something like \$85 million or \$90 million to be distributed. We cannot tell what the figure will be in the future because we do not know how much it will grow by. When I was minister I was told that the revenues could possibly fall, but they did not; they grew quite significantly. The growth above the \$50 million will be available to the board to spend. That money can be used to overcome the sorts of problems that the provincial country clubs have raised as concerns. However, if we agree to the Government's position and in two years simply cut out that guaranteed amount and leave it for the board to decide how it is spent, it will spend all the money less the operating costs. The only proviso will be that it must use its best endeavours to ensure that in any racing year the amount paid to each racing club is not less than the revenue, after taxes and expenses are deducted, generated from wagering conducted by RWWA on races conducted by that racing club during that year. Clause 106(3) has been provided to try to provide some comfort to the codes.

Members should bear in mind that 75 per cent of the money generated by the TAB comes from interstate racing operations. Therefore, the proportion of the \$63 million generated by local club activities is very small. I have done some figures on this. Based on the 2001-02 TAB revenue of \$58 million, if the board used its best intentions, clause 106(3) would guarantee the gallops only \$9.3 million, the trots \$3.2 million and greyhound racing \$2.21 million. Clause 106(3) states that the codes will be given what they generate within Western Australia. Seventy-five per cent of the money generated by the TAB comes from wagering on eastern States gallops, trots and dogs. Clause 106(3) therefore does not give me or anybody else much comfort that it will overcome the problems.

There is a concern in some of the codes that if the Government has its way, after two years they will be left to the mercy of the board. Consideration should be given to extending the guarantee to five years, because that is when the review will be undertaken. We are dealing with the most fundamental issue affecting the three codes - how much money they will get. It seems fair and reasonable to guarantee the codes a certain amount based on the first \$50 million to ensure their future until the review is conducted in five years. We can speculate how much the revenue will grow by. That growth in the revenue will provide the board with a growing capacity to distribute to the areas of need. The amount above \$50 million will continue to grow and will be distributed by the board. Members should remember that the \$8 million or \$9 million that the board will use to carry out its principal club functions is money that the clubs will not have to spend themselves. That \$8 million or \$9 million will now be available to the three codes to spend, because they will not carry out the principal function themselves. In that sense, there is a benefit for the clubs in going down this path.

Hon Barry House: That will accrue just to the principal clubs, unless they decide to take it throughout the whole code.

Hon NORMAN MOORE: I understand that point. The member is right. I hope that they share their largesse with the country clubs. My biggest concern is the effect this might have on country racing. This was my biggest concern as minister. I was concerned that country racing and country gallops were being neglected by the city-based clubs. The previous Government introduced the Totalisator Agency Board Betting (Modification of Operation) Act to get some money to where it was required in country racing. Under the minister's current proposal, after two years, and three years prior to the review of how the new system is working, the board may take a similar view to the Western Australian Turf Club and the Western Australian Trotting Association and give no consideration to country racing. After two years the country operations could get zilch. There are no guarantees. If the mindset is that attention must be concentrated on Gloucester Park, Ascot Racecourse or Belmont Park, as was the view of the principal clubs before, something will have to give, and that something will be country activities. That is why I have told the provincial racing clubs that this legislation provides them with no guarantees that they will get more money, even though they are the most disadvantaged. There was no money for them before. The turf club did not help them before either. The \$50 million should be guaranteed for five years. The board would still have the capacity to do things it wanted to do. It will take a year to 18 months before the new system is vaguely bedded down and for the board to get involved in spending discretionary funding in a meaningful way. Five years is a good period for the community to determine whether this works. At the same time it will not put the existing three clubs in any jeopardy. I presume they can continue to function based on their current share of the \$50 million. If they function now, I hope they will function in the future.

Although Hon Jim Scott's position is better than the Government's, it does not take into account the need for the board to be bedded down, for the Parliament to see how it works and that the three codes survive. I hope that the

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House agrees with Hon Barry House's very sensible proposal. It will provide an assurance to the three codes of a base on which they can continue to operate. There would be no question for the next five years about how much money they would get; nor would there be any question about how much the country racing and trotting operations would get, because they are also included in the current formula. Under our proposal there is no way that the board would take money from the country associations for the next five years; they would get at least what they get now. To get at least what they are getting now is a pretty good guarantee that they would know where they stand. The codes can then put up their hand for extra money by virtue of their performance. I think that is the best way to go for the next five years.

Hon NICK GRIFFITHS: Clause 106(3) was inserted to provide comfort and further protection to clubs at the lower end of the activity scale and to provide an incentive for them to promote themselves. I suppose that gets back to the marketing point raised by Hon John Fischer and clubs having a say in their own operations, going out into the market, getting sponsorship and promoting their own interests within this strategic structure. This structure will look after the interests of the racing industry as a whole, instead of using the tired old way of dividing, conquering and fighting over the size of the cake rather than growing it. In my view, and in the view of many people, the longer the delay for Racing and Wagering Western Australia to come into operation to grow the cake, the longer the industry will tread water at best. Not so long ago the industry was going backwards. I guarantee the House that the longer the operation of Racing and Wagering Western Australia is delayed, the industry will go backwards.

Hon Norman Moore: Nobody has suggested that the implementation of Racing and Wagering Western Australia be delayed. You are prepared for it to last for two years.

Hon NICK GRIFFITHS: Hon Barry House's amendment will delay the proper implementation of Racing and Wagering Western Australia so that the strategic decisions that must be made for the benefit of the industry as a whole will not be put into effect.

Hon Norman Moore: If that is what you are saying should happen, which code will have money taken off it and given to another code?

Hon NICK GRIFFITHS: That is an interesting interjection. I will not answer it. The racing industry is a very important industry and I am doing what I can to promote it. Having spent a fair amount of time consulting with a lot of people in the racing industry before announcing the policy that led to the legislation, it is my judgment that two years is the appropriate time. The policy was announced in May last year. By 31 July 2005, therefore, those involved in the industry will have had in excess of three years to come to grips with what must be done. Key sectors of the industry have been involved in the implementation process, which, among other matters, have identified the activities that must be transferred from the principal clubs to Racing and Wagering Western Australia, which is how the figure of \$8 million to \$9 million has been arrived at.

By the time the board is able to operate effectively in the interests of the industry as a whole, the industry will have had three years of planning and getting its mind around what will occur. That is a judgment I formed after considerable deliberation and consultation with the industry. This change is needed and should be put into effect and the sooner it is put into effect, the better. The industry will have one year's notice and two years' partial operation, which will do the job. Ultimately, it is a matter of judgment.

Hon NORMAN MOORE: I had hoped not to get too involved in this issue, but this clause is of significant interest to me. The minister has said that for the board to commence operations and to progress, the industry must agree to the two-year provision; then it is open slather on where the money will go. Is the minister saying that the board will not function for two years? He has said that the \$50 million guarantee must be got rid of before the industry can grow. The logic of his comment is that it will not grow for the first two years. The minister would not answer my interjection.

Hon Nick Griffiths: Your interjection appeared to be rather anti-industry and I did not think you meant that.

Hon NORMAN MOORE: I am not anti-industry. I am saying that each part of the industry should get a guaranteed amount of money. If the minister wants to change that so that each part of the industry does not get a guaranteed amount of money from the first \$50 million, I want to know which part of the industry will get more, because by extension, some other parts of the industry must get less. Once somebody gets more money out of a heap of money, somebody else must get less to make up for it. I reckon that the board can operate on the growth above the \$50 million, which would leave the three codes with an assured base amount. Over time that amount would be worth less because it would not be CPI adjusted; it would be the same quantum of dollars.

I know that the minister has consulted widely and I know that people on the minister's behalf have said to some organisations in the racing industry that if they press this issue, the minister will withdraw the Bill. At least one organisation has said to me that it does not want the legislation amended. I said that in my view it is in the organisation's best interests to amend it because it will guarantee it money for the next five years. The

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organisation said that although it knew that, it had been told that the Government would withdraw the Bill if it were amended. We do not want the Government to do that, nor does that organisation I spoke to. Because that organisation does not want the Government to do that, it was prepared to swallow what it thought was in its best interests to achieve the greater good. I think we can achieve the greater good and that organisation's interests by leaving the guarantee in place as a bare minimum. The board, as it grows in its job and as revenues grow, will then have the capacity to reward those organisations that do the right thing by making the changes that the industry needs. However, if the minister has in mind that one code gets too much money now and should relinquish some to another code that is not getting enough, he should say which codes they are; otherwise, my proposition is not unreasonable. If the minister believes that it is unreasonable for the gallops, the trots and the greyhounds to get what they get now for five years, will he tell me what is unreasonable about it? If he does not intend to change the status quo, it should be left in place for five years. If he believes it should be changed, what does he believe should be changed? In other words, which code is getting too much and which code is not getting enough?

Hon NICK GRIFFITHS: The concern expressed by Hon Norman Moore appears to be based on the belief that there is a cake of a particular size and the codes will argue about the slices of the cake. I want to get away from the notion of code versus code. This new structure will deal directly with the clubs in the industry as a whole. That will benefit clubs, particularly those that now find themselves having to go through the process of establishing a principal club. For example, if a thoroughbred racing club wants to have particular accommodation, it goes through the process of dealing with the principal club; that is, the Western Australian Turf Club - I am not having a go at that club. The same applies to the Western Australian Trotting Association. However, the Western Australian Turf Club, in effect, runs its own club activities at Belmont Park and Ascot Racecourse. Similarly, the Western Australian Trotting Association runs its activities at Gloucester Park. Therefore, there is an inherent conflict in the current structure in terms of how a committee of either of the current principal clubs may make a decision with regard to its interest or the interests of a provincial or country racing club. We are getting away from this artificial division between the codes and parts of codes and moving into a better world for all three aspects of racing that will be club orientated. In the future I do not see there being a trotting club here, a racing club there and the occasional greyhound track. The future lies in shared facilities, and the sooner that occurs, the better. The facility at Geraldton is also going down that same path. It has a harness racing track and a thoroughbred racing track at the same venue, and the committees of both codes - Hon Murray Criddle would probably know this better than me - are getting together. The fact that artificial, arbitrary, historical arrangements are in place is an inhibiting factor. I am talking about providing the ingredients for growth in the industry. The alternative is to just stand still or to tread water for a few more years. I do not think that is the way to go.

The CHAIRMAN: The motion before the Chair is to delete certain words. The other motion that has already been moved is that we insert in their place certain words. If it is desired, as I understand one member may have wished, that an amendment be made to a date, it is when we are inserting the words that that amendment should be made to a specific date. That is the process to be adopted. However, in the meantime, we are still dealing with the question that the words be deleted.

Hon MURRAY CRIDDLE: I listened closely to the debate and to Hon Norman Moore's explanation. I will go back to the earlier decision we made for a board of three people to be put in place - I would have preferred country representation but the minister has made it clear that the board should be made up of people who have a focus on the industry. This is the crux of the matter. I have seen this happen in the agricultural industry, as Hon Kim Chance would know, to Co-operative Bulk Handling Ltd and the Australian Wheat Board - it goes on and on. Boards are taking control and making decisions in a world that is now changing rapidly and this reflects financial reality. These directors are having to make decisions and are being held responsible for them. This matter has been discussed in our party many times over and there has been much toing-and-froing - I am not saying anything that has not already been dealt with. If we have any faith at all in what we are doing, we must have faith that the people who are appointed to these positions will make decisions that will enable the industry to grow and improve its opportunities. The minister reflected upon what is happening in Geraldton. I know only too well what is going on there. The clubs had difficulties two years ago - it may even be less than that; they had to refocus when they got into financial difficulty. From my point of view, this is a watershed for the industry. It is about the industry standing on its own two feet. If the industry grows, further amounts of funding will be available for distribution. Therefore, I do not see there being a cut in funds for any of the codes. If the opportunity is available, the industry should make the most of it. Hon Barry House's amendment is really a braces and belt situation to guarantee the future, as has been explained, for some of those smaller operations.

Hon Barry House: It just ensures a base from which the whole industry will hopefully grow.

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Hon MURRAY CRIDDLE: I understand what the member is saying. That has been the discussion in other industries with which I have been involved. This is about the industry grabbing hold of an opportunity and going with it. We can put bases in place and those sorts of things but the smaller operations will still have to stand up and make a move. I have been talking with the people from the industry in Geraldton about the need to promote their own club to get things moving. I am not as fearful - as pointed out by Hon Norman Moore - of the future for the racing industry, provided we have in place the right board. If we do not put the right board in place, the whole operation will have been a waste of time. This puts the onus on the Government to put the right people on the board so as to allow the racing and wagering industry to forge ahead. It should be an exciting time of growth for the industry. After much discussion within our party, I am comfortable with that position and will vote with the Government for the way the Bill is structured.

Hon NORMAN MOORE: I listened with interest to Hon Murray Criddle's comments. I have a slight advantage over him in that I spent a year as the Minister for Racing and Gaming and I discovered where all the tensions lie in the industry.

Hon Murray Criddle: Try working in the agricultural industry.

Hon NORMAN MOORE: I am not arguing about that; that is an even harder area to work with than this one. The tensions existed between the codes and between the country and the city. It was put to me by a principal club that the best way to grow that particular industry was to get rid of country racing; it was an impediment to what that club wanted to do at Belmont Park and Ascot Racecourse: if it could just get rid of that race meeting at Northam, if it could just cut out York, or if it did not have as many race meetings at Pinjarra, it could hold more meetings in Perth. That club's view was that the industry would grow if it was concentrated more in the metropolitan area. I argued that that was not acceptable. It might have been technically right; running a race meeting at Belmont on a Tuesday might bring in 2 000 people whereas running one at Northam might bring in only 200. Although it might be more beneficial for the industry from a financial point of view to have all its races concentrated in one centre, my view was that the provincial races had to keep going strongly because all the little country races in the surrounding area fed off of them. In my electorate the races in the Murchison feed off those held in Geraldton. Whenever Geraldton holds a race meeting it affects what happens in Yalgoo, Mt Magnet, Meekatharra and east Murchison. Last year, Geraldton held a meeting on a Monday when Mt Magnet was racing on Saturday. Hardly any horses raced at Mt Magnet. The meets are interrelated. It seemed that the view of at least the Turf Club was that if some of the piddling little country clubs were gotten rid of, the industry could be run far more effectively and efficiently as everybody would be based at Ascot or Belmont. That was the thinking of at least one club. It may be that the new board will not think like that. However, there are no guarantees. As I said during the second reading debate, if I knew who will be the members of the board, I might have a totally different view of this legislation. However, we will not know who they will be until after the Bill is passed. We will not know the board's attitude to this issue until after it has had time to implement the legislation. That is why I say we should leave in place the guarantees for the three codes and country racing. A guarantee that the codes must receive a certain amount of money currently exists. I know that if I had gotten rid of that guarantee when I was minister, the Turf Club would have happily gathered in the money for the city. There is no argument about that, because that is the way it has operated in the past.

If Parliament wants to preserve the three codes and give them a certain base from which to operate and ensure that country racing and trotting get at least a guaranteed amount of money for the next five years, it needs to agree to Hon Barry House's amendments. As it stands, there will be no guarantee after two years. It will be open slather, or first in, best dressed. If the minister gets his way, after two years this board will have a lot of money to spend. If it decides that the Country Racing Association or a particular code has been receiving too much and should get less, it will be able to implement that unimpeded. We in this place will say that we wished to goodness we had left the money in place for longer. We argue very strongly that five years is a good time in which to bed the thing down. That will ensure that all those people who are involved in the industry at least have some assurances about what will be the situation for the next five years rather than be subject to a wide world of uncertainty after two years, which is what the minister is proposing.

Hon PETER FOSS: I have listened to the debate with some interest. I have heard expressions of principle from the minister. He has spoken about having a hands-off attitude and allowing the codes to run things for themselves. However, that statement is based on the premise that the Government is taking its hands off, which it is not. There are two ways in which the Government is not taking its hands off the industry. Firstly, it is setting up an authority that has the capacity to make decisions. Therefore, the Parliament is lending its authority to whatever happens. It is not a matter of saying that we do not want to know anything about it and that the industry should get on with running its affairs. We are giving the new authority part of our authority. Our authority will be maintained; it is just that we are not terribly interested in running the industry.

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Secondly, although people might say this Bill is about the running of the codes, it is about a very substantial amount of money that, rightly or wrongly, those codes have come to depend upon. If the Government were to totally take a hands-off approach, it would say that anybody could run a totalisator business in Western Australia and that nobody could have a monopoly. That is taking hands off. However, we are still conferring that monopoly. That money is there because this Parliament has said that a monopoly will exist that will be controlled by the new body. In two very important respects, the Government is not doing what the minister said.

I could have some sympathy with the minister saying that the industry should get on with it if it cast it adrift, as is the case with hockey and soccer. The people involved in those sports had to work out among themselves how they sank or swam. They had to make decisions in the interests of whatever they thought was important for the continued existence of their sport. I could to some extent understand the justification for what the Government was doing if the Government also took away the industry's money. I am not advocating that; however, if the Government advocated that, it would at least have a consistent policy of not wanting to be involved. However, it does not. It is conferring two monopolies on behalf of the State of Western Australia. If the Government wants to interfere with the free movement of things, it cannot abdicate responsibility for how that interference will be exercised. If the board has a monopoly on the money, it will not think about country racing because it will get the money anyway. Nothing in the legislation ensures the application to those codes of any public policy we think should be applied. What Hon Norman Moore said is entirely valid. The Government is not doing what it says it is doing. It is not taking its hands off and letting the industry get on with it; it is giving it a large quantity of money and telling the codes to fight over it. That money arises out of a government-conferred monopoly. If there were not a substantial amount of government-conferred money, we could expect a slightly more generous attitude from everybody involved. However, if the Government gives the industry the money no matter what happens, self-interest will come into play. Hon Norman Moore is simply trying to ensure that the public policy is maintained. We as a Parliament want - I hope - country racing and the codes to be supported rather than subject to economic rationalistic principles. I think that a bit of the old smoke and mirrors is at play. The Government is not doing what it says it is doing; rather, it is washing its hands of responsibility for the forms of monopoly it has created.

Hon JIM SCOTT: I agree with practically everything the minister and Hon Murray Criddle said. There is certainly a need for the codes to work together. It would be more efficient for them to combine their assets. All those things are very important for the future of the industry. One of the factors we must remember - it was referred to in relation to another line of thought - is that the majority of the funding comes from the east coast of Australia rather than through Western Australian sporting events. Time will not necessarily solve that problem. When putting in place something like this, we need to be sure that the board, despite having three members - not representatives - from each code, will focus on maximising its potential across the whole industry. It should consider the whole cake, and most of its cake comes from somewhere else. We must be very careful that the focus is not on boosting betting on eastern States meetings at the expense of the local codes. That is another reason why the changeover, while not necessarily being strung out over a long period, at least gives the codes here time to settle and get used to the new arrangements. That is why the minimum of an extra year is so important. In some ways it could be longer, but that might also lead people to get the feeling that this is never-never stuff that can be put off until one day when Hon Norman Moore is minister again, or something like that, the whole thing will be changed completely. That would be a worry. There needs to be some urgency, but it should not take place so fast that it does not enable people to get their business plans in place and have them working for a time before this change occurs. I am not talking about the whole management, just part of it, which is the allocation of funds.

Hon Norman Moore: There is nothing more important to management than money. Without it, there is nothing to manage.

Hon JIM SCOTT: It is certainly important to manage the money coming in, but it is also important to get the money to come in. Once the funds are already there, that is one matter, but there is also the matter of getting the greatest potential from assets. Those things are equally important. The minister has said that he has consulted widely, but many people have come to me. The most recent approach was on 12 June from the Western Australian Country Trotting Association, which supports the extension of the time for fixing the distribution percentage to the racing codes from a period of three to five years, pending a full parliamentary or structural review. I have also spoken to the Fremantle Trotting Club, and my colleague Hon Robin Chapple tells me he has been contacted by the Country Racing Association, which also wants the time extended. Although the consultation referred to by the minister has taken place, it is clear to me that everybody concerned thinks it is a good Bill, with this one sticking point. One side of the argument is saying it should be 2008, while the other is saying it should be 2005. People who are saying they want to extend the period are saying that they can squeeze it in if it is 2006. That seems to be a sensible compromise. Unlike the minister and the former minister, I do not have an intricate understanding of the industry, because I have not been handling this area for very long. As I

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said in my second reading contribution, I am not a deep student of the gambling habits of Western Australians, or of the trotting, racing and greyhound industries. My judgment must be based on all the things I have been told. My judgment is still that it can be done by 2006. The industries are saying that that is a bottom line. The minister and Hon Murray Criddle are saying that they must manage it as soon as possible. I must find a balance that I think is fair, and if the industry thinks it can be done by 2006, that is the one I will go with. I still have not heard from the official Opposition, as distinct from the National Party or the One Nation oppositions, whether 2006 as a fall-back position would be satisfactory to them, or to the minister for that matter.

Hon MURRAY CRIDDLE: If we maintain the cap at \$50 million, and certain race clubs are getting a set amount, in five years time they will be getting substantially less than they are getting now. I have run over the figures for the Department of Agriculture - the Minister for Agriculture will know what I am talking about - and found that in real terms the funding for that department is dramatically reduced by 18 to 20 per cent when we consider the funding over four or five years. That is an enormous cutback. I will leave members with the thought that it is all very well to say that the cap is \$50 million now, but in five years time it would represent maybe \$40 million in real terms.

Hon Norman Moore: There is still growth above the \$50 million.

Hon MURRAY CRIDDLE: There is, but if we carry on the logic of Hon Norman Moore about the distribution, and there is no redistribution - which is the logic of the argument about the redistribution of funds - the clubs would not get extra. If they wanted to take out country race clubs with reduced initial amounts, and they do not get more - which is what the problem is, as I understand it - the same issue would arise. I leave members with the thought that, if a local race club gets \$10 000 now, it will not be \$10 000 in five years time.

Hon BARRY HOUSE: Hon Jim Scott wanted the Opposition to indicate its position. There has been much discussion, but the position of the Opposition would be to put its preferred option to the will of the Chamber by way of a division. We were hoping that Hon Jim Scott, who says he is still making policy on the run, might come around to that way of thinking. If he does not, that is fine, but our preferred position is contained in the amendment I have moved. As a fall-back position, the Opposition would prefer that of Hon Jim Scott to that of the Government.

Hon JOHN FISCHER: In answer to Hon Jim Scott, the position of One Nation is that it still favours an extended five-year period. In relation to what was said by Hon Murray Criddle, it is my understanding from what was said by the Leader of the Opposition, and from reading this Bill, that the continuation of the distribution of the \$50 million does not inhibit the board in any way at all, because of the growth factor that will come, as it has over the past 10 years. As has been explained, this will still leave the board with a considerable amount of money to distribute between the clubs as it sees fit. That, of course, is the work of the board. As Hon Murray Criddle said, if we are not going to put in place a good board, we should not put one in place at all. With the current method of distribution, there is no doubt that the WA Provincial Thoroughbred Racing Association is disadvantaged. The next five years will be a good chance for us to view whether the board has got it right by seeing how much money it will give to support the WA Provincial Thoroughbred Racing Association. I have an amendment later on this clause that deals specifically with the distribution of the \$50 million because there is nothing in this legislation that guarantees the continuation of the current distribution of funds to country and thoroughbred associations.

Amendment (words to be deleted) put and a division taken with the following result -

Extract from *Hansard*
[COUNCIL - Thursday, 12 June 2003]
p8650c-8671a

Hon Nick Griffiths; Hon Barry House; Chairman; Hon Murray Criddle; Hon Jim Scott; Hon John Fischer; Hon Robin Chapple; Hon Norman Moore; Hon Peter Foss

Ayes (17)

Hon George Cash	Hon Ray Halligan	Hon Dee Margetts	Hon Christine Sharp
Hon Robin Chapple	Hon Frank Hough	Hon Norman Moore	Hon Derrick Tomlinson
Hon Paddy Embry	Hon Barry House	Hon Simon O'Brien	Hon Giz Watson
Hon John Fischer	Hon Robyn McSweeney	Hon Jim Scott	Hon Alan Cadby (<i>Teller</i>)
Hon Peter Foss			

Noes (10)

Hon Kim Chance	Hon Adele Farina	Hon Louise Pratt	Hon Ed Dermer (<i>Teller</i>)
Hon Murray Criddle	Hon Graham Giffard	Hon Ljiljanna Ravlich	
Hon Sue Ellery	Hon Nick Griffiths	Hon Ken Travers	

Pairs

Hon Bruce Donaldson	Hon Jon Ford
Hon Barbara Scott	Hon Tom Stephens
Hon Bill Stretch	Hon Kate Doust

Amendment thus passed.

The CHAIRMAN: The question before the Chamber is that the words proposed to be inserted be inserted. Because it was some time ago I remind the Chamber that the words to be inserted are "For each racing year commencing on or after 1 August 2003 until 31 July 2008".

Amendment (words to be inserted) put and a division taken with the following result -

Ayes (13)

Hon George Cash	Hon Peter Foss	Hon Barry House	Hon Simon O'Brien
Hon Robin Chapple	Hon Ray Halligan	Hon Robyn McSweeney	Hon Derrick Tomlinson
Hon Paddy Embry	Hon Frank Hough	Hon Norman Moore	Hon Alan Cadby (<i>Teller</i>)
Hon John Fischer			

Noes (14)

Hon Kim Chance	Hon Graham Giffard	Hon Ljiljanna Ravlich	Hon Giz Watson
Hon Murray Criddle	Hon Nick Griffiths	Hon Jim Scott	Hon Ed Dermer (<i>Teller</i>)
Hon Sue Ellery	Hon Dee Margetts	Hon Christine Sharp	
Hon Adele Farina	Hon Louise Pratt	Hon Ken Travers	

Pairs

Hon Bruce Donaldson	Hon Jon Ford
Hon Barbara Scott	Hon Tom Stephens
Hon Bill Stretch	Hon Kate Doust

Amendment thus negated.

The CHAIRMAN: I have advised members of the result of the division. The consequence of the division is that there are now no words in lines two and three because there was agreement that the words be deleted but there was no agreement to insert other words. I have been informed informally that Hon Jim Scott now wants to move certain words in substitution of the ones that were not agreed to be inserted. That, of course, is against the practice of the House because the House has agreed not to insert the words that were proposed. That is one of the reasons I pointed out the procedure earlier. I had hoped someone would amend the years only. However, that did not happen and we are where we are. Would Hon Jim Scott be good enough to tell me whether the amendment he has provided to me is the amendment he proposes?

Hon JIM SCOTT: I look forward to your suggestion, Mr Chairman.

The CHAIRMAN: Does his amendment read "For each racing year commencing on or after 1 August 2003 until 31 July 2006"?

Hon JIM SCOTT: Yes.

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The CHAIRMAN: That is the amendment I have before me. The practice of the House is that we cannot insert those words because they are the very words the House just agreed not to insert, bar a numeral. If we are to proceed with speed, it will be necessary to report progress, recommit the item and allow Hon Jim Scott to move his amendment. I hope members agree to it for the sake of procedure and we can then get on with it. In my view, that is the most expeditious way to handle the matter.

Progress reported and leave granted to sit again, on motion by Hon Nick Griffiths (Minister for Racing and Gaming).

Committee

The Chairman of Committees (Hon George Cash) in the Chair; Hon Nick Griffiths (Minister for Racing and Gaming) in charge of the Bill.

The CHAIRMAN: We are dealing with the Racing and Wagering Western Australia Bill 2003 in committee. Clause 105 will be dealt with on a recommittal basis when we have completed all the other clauses of the Bill and reported to the House. This is the same Committee as before. It may be necessary for the Committee to make some assumptions with respect to what may happen with clause 105. However, that is a matter for members.

Clause 105 postponed until after consideration of clause 122, on motion by Hon Nick Griffiths (Minister for Racing and Gaming).

Clause 106: Allocation of RWWA's funds after 31 July 2005 -

Hon BARRY HOUSE: I wanted to move an amendment to clause 106. However, the amendment is, in effect, contingent on clause 105. I suggest that clauses 105 and 106 be recommitted.

Hon NICK GRIFFITHS: The Chairman has invited the Committee to make an assumption. The assumption that the Committee will make is that when clause 105 is recommitted to a separate Committee, Hon Jim Scott will move his amendment to insert certain words, which will be carried. Given what Hon Barry House and Hon Jim Scott have said, and noting that the Government would rather have "2006" than no words at all, it is a fairly reasonable assumption that the proposed amendment will be carried. We can proceed on that assumption and move to discuss clause 106 and make it consistent with the assumed position that we will arrive at in due course. That will involve an amendment. Therefore, I move -

Page 69, line 2 - To delete "2005" and insert "2006".

The CHAIRMAN: When I told members that they could make an assumption, there is no reason that they cannot continue to discuss every clause of the Bill and move whatever amendments they want to move. I was suggesting that it may have been convenient where changes were necessary to make certain assumptions, but that it was up to the Committee.

Hon BARRY HOUSE: The Opposition supports the amendment. It is clear that our position of a five-year transitional period will not be adopted by the Committee and it is also clear that the Government's proposal for a two-year transitional period will not be accepted by the Committee. The consensus is a three-year period. On that basis, I support the amendment.

Amendment put and passed.

Clause, as amended, put and passed.

Clauses 107 to 121 put and passed.

Clause 122: Review of Act -

Hon BARRY HOUSE: At this stage I will not move the amendment standing in my name on the supplementary notice paper. I will flag the issues surrounding this clause, which is the review clause of the Bill. The Opposition believes that this is a skinny review clause because it provides for only a ministerial review as soon as is practicable after the expiration of five years of the commencement of the Bill. I will not debate this at length. For a long time we have heard about the role of the Parliament in the racing industry. Many people in the community, the racing industry and the Parliament feel that although this legislation will diminish Parliament's direct role, Parliament will still have an important role to play in terms of direct scrutiny and overview. The Opposition believes that the best way to achieve this is not by a ministerial review that will involve the minister of the day, whether that be Hon Nick Griffiths or somebody else, appointing a designated person to conduct a review. That person might conduct a cursory review of the operations of the body after five years and give a one-page report to the minister, who might put it in the drawer and forget about it. That has

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happened at times. The Opposition believes that after five years the operations of Racing and Wagering Western Australia will deserve more thorough and open scrutiny. The best way to achieve that is with a sunset clause.

The sunset clause standing in my name on the supplementary notice paper has been misinterpreted in some ways by the Press, because people have focused purely on the words that organise the winding up of the activities of the organisation. The purpose of the sunset clause is to guarantee a full and comprehensive review of the operations of Racing and Wagering Western Australia. That review will come back to Parliament and Parliament will endorse the future operations of Racing and Wagering WA in a full or amended form. That is the purpose of the sunset clause. Having said that, subsequent to the Opposition arriving at that position and placing the amendment on the supplementary notice paper, an unforeseen consequence has been the emergence of a literal interpretation of it. The subsequent position is the position of the Totalisator Agency Board agents in Western Australia. By way of summary, there are 101 full-service contracted TAB agencies in Western Australia that are members of the Totalisator Agency Board Association. These are operated by 239 partners. In addition, one agency, which has three partners, is not a member of the association. These are private businesses and account for roughly 60 per cent of the total Totalisator Agency Board turnover. They play a significant part in the wagering industry in Western Australia. The private individuals involved - the 242 partners - have put a significant financial investment into these businesses. That investment ranges from \$200 000 up to half a million dollars. In many cases this represents people's retirement funds or superannuation. It also represents a very important business position, because the agencies are all subject to 10-year contracts with the Totalisator Agency Board. TAB agencies operate for approximately 90 hours a week. There has been a huge increase in their workload recently. I am told that from 1996 to the present the number of race meetings increased from something like 3 000 to 5 000 a day Australia-wide. From 1996 to the present the number of hours worked in a TAB agency increased substantially from about 60 to 90 hours a week. Also over that period the number of Sundays worked rose from about eight a year to 51, which is virtually every Sunday a year. Each agency employs three or four casuals - the ancillary dependent work force consists of 1 000 to 2 000 people. The TAB agencies have a valid concern; their security of tenure could be affected by a sunset clause if it is interpreted literally. Their 10-year contracts are due for renewal on 4 January 2006. If a sunset clause were adopted to come into operation in 2008, there is a real possibility that the TAB or the new board would unfairly use that in negotiations with TAB agents, and this could affect their contractual agreements.

The Opposition has assessed that there is a valid concern. I certainly do not want to put the 102 TAB agencies in an unfair position in the future; however, I want to ensure that there is some fair and decent parliamentary scrutiny of the operation of the functions of Racing and Wagering Western Australia. I do not want to create a position in which the TAB may unfairly exploit a series of words, even though the intent of those words would have been misinterpreted. I certainly do not want to put TAB agents at a disadvantage. I will not move my amendment at this stage. If the minister can clarify the situation and provide some comfort to TAB agents, there may be a way forward with a form of sunset clause. If not, the Opposition is prepared to consider another form of review that would be more thorough than a ministerial review.

Hon NICK GRIFFITHS: I note what Hon Barry House has said. I am not attacking his intent in providing this form of words in the amendment on the supplementary notice paper. The sunset clause has been a matter of debate. If the amendment were passed, it would cause TAB agents, in particular, a great degree of discomfort. This Bill and the other Bills in the package are very serious. They involve significant change. I agree with the honourable member and other members who have spoken, in particular Hon Jim Scott, that a proper review should be conducted. I note that Hon Jim Scott has some amendments on the supplementary notice paper that suggest that the review should be undertaken by the Parliament rather than the minister. I am happy with that.

Hon JIM SCOTT: I confirm that I have amendments on the supplementary notice paper to do what the minister has outlined. They would enable a review.

Hon BARRY HOUSE: I confirm that I do not intend to move my amendment.

The CHAIRMAN: The member does not have to do that, as his amendment can be moved only if the whole clause were first defeated.

Hon NORMAN MOORE: My question relates to Hon Barry House's amendment. Has the minister received legal advice on the so-called sunset clause and its consequences for TAB agents? If he has received legal advice, could he provide some indication of what it says?

Hon NICK GRIFFITHS: No, I have not received legal advice.

Hon JIM SCOTT: I seek your advice, Mr Chairman. Do I have to move each amendment in turn?

The CHAIRMAN: One problem is that the amendments involve deletions and insertions. Once words are deleted, we will move to insert other words. Other members may wish to adjust the member's words or amend

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the clauses further. Therefore, the amendments must be dealt with individually. However, I will manage them as expeditiously as possible, if that is the wish of the Committee.

Hon JIM SCOTT: Thank you, Mr Chairman. I received representations from people in the industry who wanted to ensure that there was some parliamentary overview of the legislation that went beyond ministerial examination of the industry. I received the help of a number of people, including Max Trenorden and the minister's advisers. One thing that crossed my mind when I considered Hon Barry House's amendment was that States such as Victoria automatically sunset their regulations. This requires a whole industry. Although Hon Barry House's amendment was cleverly worded and well thought out, I could not help but wonder whether we would perhaps need to spend all our time examining sunsetted Bills in this place if this started to happen regularly. That would keep us very busy.

Hon Norman Moore: It would not be a bad thing.

Hon JIM SCOTT: I suppose it would be a good thing to do with some important legislation. I move -

Page 80, line 31 - To delete "The Minister is to carry out".

Hon BARRY HOUSE: The Opposition will support this amendment to set up a parliamentary committee to conduct a review of the operations of Racing and Wagering Western Australia after five years. The setting up of a joint standing committee of both Houses of Parliament is not a course of action that the Liberal Party would normally endorse. Standing committees of both Houses of Parliament are not considered to be in the best interests of the operation of this Parliament. Nevertheless, if the amendment had merely said "a committee of the Parliament", the Government of the day in the lower House could appoint a committee that would merely present the Government's position. The amendment, therefore, has that in its favour. It would have been adequate if the amendment had said that a standing committee of the Legislative Council would conduct the review. All things considered, this amendment will provide for an open analysis of the operations of RWWA after a period of operation, which now appears to be three years under the statutory formula for distribution. The board of RWWA will, therefore, have had a bit of a track record in those few years, which is quite sensible, and the community through the Parliament will be able to make a judgment of its operations. There is no obligation, of course, on the Government of the day to adopt the recommendations of a parliamentary committee, but the recommendations will be available to the public to judge and will provide an element of oversight and safeguard that should provide some comfort to the industry.

Hon MURRAY CRIDDLE: I intended to make similar remarks to those of Hon Barry House about joint standing committees, because that issue is of some concern to me too. However, I will not stand in the way of this amendment, considering that I have lost every amendment I moved today. The concern is one of potential political input into the committee, whereas a committee outside the Parliament would provide a more independent review. As I said, I am happy to accept the amendment.

Amendment put and passed.

Hon JIM SCOTT: I move -

Page 80, line 32 - To insert after "Act" -

is to be carried out by a Joint Standing Committee of both Houses of Parliament appointed for the purposes of this section

Members may never know that having a joint standing committee may improve the relationship between the Houses, which do not appear to be very good at the moment.

Amendment put and passed.

Hon JIM SCOTT: I move -

Page 81, line 2 - To delete "Minister" and insert instead "Joint Standing Committee".

Page 81, line 6 - To delete "Minister" and insert instead "Joint Standing Committee".

Page 81, line 8 - To delete "Minister" and insert instead "Joint Standing Committee".

As a result of the previous amendments, these are small amendments to delete the word "minister" and insert the words "joint standing committee" where the word "minister" appears.

Amendments put and passed.

Clause, as amended, put and passed.

Postponed clause 105: Allocation of RWWA's funds before 1 August 2005 -

Hon Nick Griffiths; Hon Barry House; Chairman; Hon Murray Criddle; Hon Jim Scott; Hon John Fischer; Hon Robin Chapple; Hon Norman Moore; Hon Peter Foss

The CHAIRMAN: Hon John Fischer has two amendments to that clause standing in his name on the supplementary notice paper. The words deleted still remain deleted and we will attend to that later. The question is that clause 105, as amended, be agreed to.

Hon JOHN FISCHER: I move -

Page 68, line 7 - To insert after "Association" -
with the CRA receiving no less than 6%

I have moved this amendment because the legislation as it stands in subclause (2) states -

The balance of the funds, or \$50 million, whichever is the lesser amount, is to be paid or credited . . .

Under paragraph (a) 55.26 per cent of that \$50 million will go to thoroughbred racing clubs; under paragraph (b), 29.76 per cent will go to harness racing; and under paragraph (c), 14.98 per cent will go to the Western Australian Greyhound Racing Authority. However, subclause (3)(a) states -

at least 28.09% is to be paid or credited by RWWA to thoroughbred racing clubs conducting races outside the metropolitan area in such amounts, or in accordance with such criteria, as are determined by the Western Australian Provincial Thoroughbred Racing Association and the Country Racing Association;

It is necessary to insert the words in my amendment, "with the CRA receiving no less than 6%", which mean six per cent of that 28.09 per cent. I believe those figures are contained in the current legislation and the CRA should be protected by this legislation. No provision has been made in this Bill to maintain the current distribution for the next three years. The clause as it stands will create a conflict between the Provincial Thoroughbred Racing Association and the Country Racing Association. Under the current legislation, the Provincial Thoroughbred Racing Association is definitely disadvantaged. I hope with the passing of this legislation that the RWWA board will recognise that and supplement payments to the PTRR over and above its allocation, or provide extra money to it from the current share that the Country Racing Association gets at the moment. All of the six per cent that the CRA currently gets goes directly back into prize money. It is a voluntary organisation that supplements its prize money with money from sponsorships. The CRA made it very clear to me that it would be very difficult for it to continue if that six per cent is reduced. There is some reason for angst about the future relevance of clause 106(3), but the Country Racing Association should be assured of that amount of money for the next three years so that it can go forward with some security and continuity.

Hon NICK GRIFFITHS: The words in clause 105(3) are almost the same as those in section 28(4) of the Totalisator Agency Board Betting Act 1960, which is the current law. The arrangements between the two groups have been in place since 1989. They were arrived at by agreement and they cannot be changed without agreement. The arrangement is six per cent. If the member wants to achieve what he says he wants to achieve, there is no need to proceed with his amendment. However, if he is of a mind to proceed with his amendment, I suggest that instead of having the initials "CRA" in the amendment, they be changed to Country Racing Association for precision.

Hon JOHN FISCHER: I am prepared to take the minister's advice. I seek leave to alter the amendment by removing the initials "CRA" and inserting instead "Country Racing Association".

Amendment, by leave, altered.

Hon NORMAN MOORE: I want clarification from the minister with regard to this amendment. I understood the minister to say that the effect of the amendment is to maintain the situation that currently exists; that is, that the division of funds between the Western Australia Provincial Thoroughbred Racing Association and the Country Racing Association is based upon an agreed formula that was agreed to by both parties at the beginning of this arrangement, and that it can be changed only by agreement. The current arrangement is that the Country Racing Association will get six per cent, not of the 28 per cent but of the 100 per cent of money that the country areas will get.

Hon Nick Griffiths: It is six per cent of the thoroughbred racing allocation that is just over 55 per cent.

Hon NORMAN MOORE: Therefore, the 28.09 per cent is taken from the total amount received by thoroughbreds. Of that 28.09 per cent, is 100 per cent of the money going to the country or does the six per cent relate to the 28.09 per cent? Are we talking about six per cent of the total amount of money that goes to the country or six per cent of the total amount of money that goes to thoroughbreds?

Hon Nick Griffiths: Yes.

Hon NORMAN MOORE: Therefore, it is six per cent of the total amount of money that goes to the thoroughbreds. That is the situation in place now and that cannot be changed unless the Country Racing Association and Western Australian Provincial Thoroughbred Racing Association agree. Is that so?

Extract from *Hansard*
[COUNCIL - Thursday, 12 June 2003]
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Hon Nick Griffiths; Hon Barry House; Chairman; Hon Murray Criddle; Hon Jim Scott; Hon John Fischer; Hon Robin Chapple; Hon Norman Moore; Hon Peter Foss

Hon NICK GRIFFITHS: There is one other difficulty. The legislation refers to the Country Racing Association and WAPTRA getting together. However, the money does not end up with the Country Racing Association; it ends up with the clubs under the Country Racing Association. If Hon John Fischer persists with his amendment, which is unnecessary, he would need to make a further alteration and change it to “Country Racing Association clubs” because the clubs end up with the money - not the Country Racing Association.

Debate interrupted, pursuant to sessional orders. [Continued on page 8679.]

Sitting suspended from 4.16 to 4.30 pm