

TAB — PRIVATISATION

Motion

Resumed from 13 August on the following motion moved by Mr M.P. Murray —

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

MR P.B. WATSON (Albany) [5.17 pm]: I stand to talk about the selling of the TAB. First of all, I refer to the report of the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Act titled “Inquiry into the Racing and Wagering Western Australia Acts”. I will let members know who comprised the committee. The chairman was John McGrath. Hon Alyssa Hayden and John Bowler, the then member for Kalgoorlie, also served on the committee. He finished up going to the National Party and got shafted. He was nominated by the Goldfields–Esperance Development Commission to be chairman, but he was shafted by the Premier and the Leader of the National Party when they put in another National Party member. I think John Bowler regrets going to that group. Hon Matt Benson-Lidholm, Hon Max Trenorden and Peter Watson were the other members of the committee. The committee made some findings, including this one, which the member for South Perth strongly supported —

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While privatisation of the TAB has occurred in most other states, there is no long-term benefit for the industry in Western Australia. There is extensive industry support for the existing structure and wagering ownership arrangements under Racing and Wagering Western Australia to continue.

Mr J.E. McGrath: What year was that?

Mr P.B. WATSON: It was 2010. I am sure that things have not become that bad; there were also some other recommendations. The Premier said in Parliament today that the racing industry had to get things right, that we could not have two tracks and that its infrastructure is bad, but when this report came before the house, those were the things that we said the government had to do. The government has not acted on any of these findings that we know of, otherwise we would not have the issue we have today. It was interesting to hear the Premier say that we could not have two tracks, but there is a good reason for having two tracks, given the number of horses in the Perth metropolitan area. If we have only one track, where will we train our horses? Given the number of horses we have at Ascot and Belmont at the moment, it would not be possible for everyone to train their horses in the morning when there is racing in the afternoon or the evening at the same track, unless we are going to build a world-class, all-weather track at one of the stadiums.

Mr J.E. McGrath: Or a training complex.

Mr P.B. WATSON: Or a training complex.

Mr J.E. McGrath: Nothing’s impossible in this world; you know that.

Mr P.B. WATSON: Yes, I know, but when we have a tight government like the member for South Perth’s that will not give back the money it takes from the racing industry, we are always going to have this problem. If members talk to anyone in the racing industry, they will say what a tremendous job the Labor government racing minister Hon Nick Griffiths did. I cannot say the same for my friend the member for Wagin; I can only go on what I hear from the industry.

Mr J.E. McGrath interjected.

Mr P.B. WATSON: No, the member for South Perth has had his say. We know what he thinks, but he has been nobbled—we all know that! I do not want to have a crack at him because he is my friend and I know that he really wants to be on this side of the house!

I turn now to the money that comes from the TAB to support racing in regional Western Australia, which is the lifeblood of Western Australian racing. This is where all the racehorses come from; they breed them in the regional areas, although some people go to New Zealand to get their horses bred. In regional areas there are the trainers, the strappers, the track workers, the farriers, the feed merchants, the truck drivers —

Mr J.E. McGrath: The farmers.

Mr P.B. WATSON: Yes, the farmers are the only ones who can afford to race down our way!

All these people are part of the industry, and if we do not get the money for regional areas—I cannot see how selling the TAB will achieve that—people are going to suffer. As I say, regional Western Australia is the

Mr Peter Watson; Mrs Glenys Godfrey; Mr Mick Murray; Acting Speaker; Mrs Michelle Roberts; Dr Mike Nahan; Mr John McGrath; Mr Terry Waldron; Mr Bill Johnston

lifeblood of Western Australian racing and trotting, although one would not think so to see how little money is spent in our area.

I will provide members with some key facts and figures. The racing industry adds \$594.6 million to the WA economy. Production and preparation of racing animals generates more than \$220 million to the WA economy, and 48 per cent of that comes from regional WA. There is \$264.1 million in net wagering revenue; 55 race clubs; 33 680 people directly involved in WA racing, including paid employees, employers and volunteers; 6 737 full-time employees; and \$349.3 million generated in wages across all sectors. Over the period 2010 to 2013, WA wagering turnover grew by eight per cent, yet the Premier stands in Parliament to say that the industry is losing money. These are facts and figures that cannot be disputed, but as we know, the Premier has his own spin on things; it is called “Col’s way”, and if no-one else agrees, he will go ahead with it anyway.

Over the past six years, racing industry distributions have grown from \$106 million in 2008–09 to \$130 million for 2013–14—a 23 per cent rate of growth! That is funny; I am sure the Premier said there was no growth in the industry. Projections under the current model determined forecast growth of 23 per cent in 2018–19, in the vicinity of a \$147 million distribution. Where are we going to get money like that if we sell our TAB? Racing and Wagering Western Australia delivers funding to racing equivalent to 7.1 per cent of racing turnover.

I will give members the statistics for the last six years. The 2008–09 turnover was \$1.6 billion; it is now \$2.15 billion, an increase of 34 per cent. Revenue for 2008–09 was \$273 million; for 2013–14, it was \$366 million, or 34 per cent. In 2008–09, tax was \$56 million; in 2013–14, it was \$70.6 million, or a 26 per cent increase. Total expenses for 2008–09 were \$120 million; in 2013–14, they were \$133 million, up 10 per cent. Distribution for 2008–09 was \$106 million; in 2013–14, it was \$130 million, up 23 per cent. More than 160 community organisations utilised race club facilities and resources, and more than 110 community organisations and charities in Western Australia are financially assisted by race clubs. I know that our trotting club in Albany has a rodeo once a year and trade fairs, and just this week in Albany, the Australian cross-country championships are being held for schoolboys, schoolgirls and seniors.

Mr D.A. Templeman: Are you pulling on the boots?

Mr P.B. WATSON: I am pulling on the boots, but only to do the official opening.

Mr D.A. Templeman: That’s a bit of a cop-out, isn’t it?

Mr P.B. WATSON: Just check with my body. My head wants to do it, but down here does not want to do it.

Mr D.A. Templeman: I’ve heard that from you before!

Mr P.B. WATSON: Mr Acting Speaker, I seek protection from my own colleague, please!

The ACTING SPEAKER (Mr I.M. Britza): Okay, thank you very much, members.

Several members interjected.

Mr P.B. WATSON: From someone of the size of the member for Mandurah!

The ACTING SPEAKER: Thank you!

Mr P.B. WATSON: As I say, the schoolboys and schoolgirls cross-country event will be held at the Albany race club on Monday, and more than 600 athletes will be coming to Albany to compete at the weekend. Of the 55 race clubs in Western Australia, all but three are in regional areas.

Let us now look at some of the interstate models. The Victorian TAB was privatised in 1992. Since that time, the funding provided to the Victorian racing industry has increased largely on the basis of being entitled to a share of poker machine revenue. However in 2012, a new licence agreement was entered into that eliminated the industry’s entitlement to poker machine revenue. The racing industry in Victoria is now exposed wholly to the performance of wagering, and a minimum performance obligation is in place until mid-2015, at which time the industry forecasts a drop in revenue of \$20 million per annum.

The New South Wales TAB was privatised in 1997 in a 99-year contract known as the TAB distributions. The Northern Territory struck a five-year deal from 2011 to 2016, worth \$66.7 million, and South Australia privatised its TAB in 2003. South Australia has removed wagering taxation as the industry funding arrangement to put in place a privatisation that is not sufficient to sustain its racing industry. Accordingly, the South Australian government has effectively passed the wagering tax onto the racing industry to support a declining rate of funding being provided by Tattersalls. I think the member for Collie–Preston mentioned the other day that people are pulling out of South Australian regional racing left, right and centre. The stake money for Saturday afternoon racing in South Australia is a joke. All the top trainers in South Australia take their horses to Melbourne.

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Mr J.E. McGrath: It is a struggling state compared with Western Australia.

Mr P.B. WATSON: If we are doing so well, we should be much better off than South Australia and get more money for our racing industry. Money is tight in this government. It puts huge amounts of money into Elizabeth Quay and a stadium, but not into the racing industry, which employs all these people I have talked about. The government does not put money into infrastructure in regional areas, and the Premier talks about getting rid of one of the tracks in Perth. The Premier talks about what the racing industry should be doing. I agree that the racing industry has a big part to play in this, but selling the Totalisator Agency Board of Western Australia is not the solution. The Premier talks about selling the TAB, which provides funding for all of these things that are not receiving enough funds at the moment. I want to know: if the TAB is sold, where will the industry get this money from?

The member for South Perth has stuck his head up from the back bench, but he has done an about turn. He said repeatedly that Western Australia could not sell the TAB. The member for South Perth and I talked about this issue when we were members of the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts. I have referred to the report of that committee. We travelled interstate with that committee and everywhere we visited people said that we should not sell the TAB. We were told by people in every state that had sold its TAB that it had killed the industry. The member for South Perth has changed his opinion; I do not know why. It is up to the member to live with that, but I do not know how he sleeps at night.

Mr D.A. Templeman: He has been won out and won back.

Mr P.B. WATSON: He has, and the sting has gone in.

Tote Tasmania was acquired by Tatts Group in March 2012. Legislative arrangements were put in place to cap wagering tax at \$6 million per annum plus CPI. No industry funding obligations were put in place and the government funded the industry at a fixed rate of CPI less one per cent, with a proposed efficiency dividend. Tote Tasmania turnover is down by 73 per cent. Queensland privatised its TAB in 1999.

Mr J.E. McGrath: Whose fault is it that turnover is down? The product must not be good enough for people to wager on.

Mr P.B. WATSON: No; it is because the TABs had been privatised.

Mr J.E. McGrath: Does that stop people having a bet? Have they shut all the TABs in Tasmania?

Mr P.B. WATSON: I am saying that TAB revenue dropped in all states that sold their TABs. The member is saying that it is the fault of Tasmania, South Australia, New South Wales and Victoria and that the outcome in WA will be better than everywhere else.

Mr J.E. McGrath: We do most things better.

Mr P.B. WATSON: I know we do, but the facts show what will happen if the government goes down this path. Why does the government not listen? I know that the Premier does not listen. We have seen that with local government amalgamations and in all his decisions. It is Col's way or the highway.

The ACTING SPEAKER: Member, it is only a technicality but when you refer to the Premier, you need to use his name or his electorate.

Mr P.B. WATSON: I could use some of the words that the people of Albany use, but I would probably get thrown out.

The ACTING SPEAKER: Member, it is a technicality.

Mr P.B. WATSON: I appreciate that, Mr Acting Speaker.

I am a regional member and my main concern is with racing and trotting tracks, most of which are in regional areas. The Premier has said that there will be lots of consultation throughout the state, and I hope that happens. The Premier came in here today and said that the vibes he is getting from the industry are that people want this to happen. The Premier is indicating that he did not say that. That was the impression I got from what the Premier said, although debate was interrupted before he finished speaking. Regional WA is struggling. I have said this before and I will continue to say it: if the government sells the TAB, all the investment that is going into regional Australia to the trainer, jockey, apprentice, track workers, the person who looks after the track, the truck driver who transfers the horses from one place to another, the farrier, and the feed guy up on Albany Highway will be gone—all these people depend on racing, trotting and gaming. The industry is huge. The Premier said that not many people go to the races. The member for Collie–Preston has shown me an uncorrected *Hansard*, and all I can say is that he did say it! If I was allowed to quote this, I would say that the Premier did say it.

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Mr C.J. Barnett: I did not say that. You implied a majority. I never said “majority”. I said that more people are starting to think about it.

Mr P.B. WATSON: I cannot understand why people in this place have changed their view. The member for South Perth had a strong opinion on this. We sat and talked about this issue on the RWWA inquiry and afterwards, but all of a sudden he has changed his view. I have great admiration for the member for South Perth, but I do not know whether he has been nobbled. He held such a strong view, but he has changed his mind. His view had great support in the racing industry and now he has changed his mind. I do not know whether someone said to the member that if he changed his mind, everyone would follow him. I do not think they will. The people I speak to in the industry are deadset against selling the TAB. It is up to the government to come up with a policy and ways that all those people in regional areas will be looked after—the people employed at the racetracks. If the government comes up with something that the majority of the industry supports, I will support it, but not the way things are at the moment. I speak to people in the industry at the airport and in Albany; we have trainers in Albany. The people in my electorate are deadset against the sale of the TAB. I want the Premier to prove that people in regional areas involved in trotting, racing and gaming will be better off. That is the Premier’s job. I think he will find it very hard to do that. Good luck, because if he looks at all the facts and figures I have referred to today, selling the TAB has not worked anywhere else in Australia. I think selling the TAB will be a tremendous mistake not for the government but for the people involved in the racing industry.

MRS G.J. GODFREY (Belmont) [5.37 pm]: I rise to make a contribution to this motion on the privatisation of the TAB. This is an important issue in Belmont. I have been contacted by many people concerned with a recent media report and speculation surrounding the future of the Totalisator Agency Board, more commonly known as the TAB. At a recent visit to the Ascot racetrack, accusations were stronger than usual that the sale of the TAB was imminent. Many of the uninformed and negative comments I have read in the media and other sources, and heard from some members in this place, amount to nothing more than a claim that there is no reason for a government to be involved in the gambling business. This is an oversimplified statement about an industry that employs thousands of people. The statement also does not reflect the employment, the sporting, the entertainment and tourism potential that this industry holds. Should the sale of the TAB be up for discussion, members of the industry would appreciate being involved in a thorough and balanced debate, rather than leaving everything to shallow statements. After all, it is their future and their livelihoods at stake.

Another argument that is of concern to me is a statement that WA should sell the TAB simply because it is what other states have done. This argument is often put forward without any discussion on what those sales have done to local racing industries and communities in other states.

Western Australia is very different from the eastern states, both geographically and with its structure of betting. Lotterywest and the TAB are controlled by government legislation and provide a large social dividend to the Western Australian community. One example of the difference is that WA does not have pokies. The sale of the TAB would bring a short-term gain for long-term pain.

I refer to something mentioned earlier—a quote from Jeff Kennett that was given to me yesterday when he was reported in *The West Australian* as saying that he was wrong to have privatised the TAB. The article states —

The outspoken Kennett forecast a financial catastrophe for the racing industry and eventually more sport under the current betting model.

In making “an admission I don’t often make”, Kennett said one of his reforms as Victoria’s premier was wrong: to privatise the TAB.

It is my understanding that over the past 14 years, at least three investigations have been made into the racing industry. In 2000, the first report from the independent committee chaired by Mr Ray Turner, AM, included a recommendation for a whole-of-industry governing body to be established by statute. The framework of governance recommended was to provide the racing industry in Western Australia with greater cohesion and the capability to develop strategic direction. This resulted in the formation of the Racing and Wagering Western Australia Act 2003, known as the RWWA act. In 2010, following the inquiry conducted by the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts, the second report was released. This report contained 92 findings and 53 recommendations. How many of these findings and recommendations have been implemented? In 2011, there was a third report called “Economic and Social Impact: Report on the Western Australian Racing Industry”. This report was prepared for the entertainment and racing industry by IER, a leading independent consulting and economic research firm with extensive experience in the area of economic and financial assessment. I have summarised some facts from this third report, which I think the member for Albany quoted from. The direct expenditure of the WA racing industry is \$550 million. This includes expenditure on producing racing animals under breeding and rearing, preparing the training of racing animals, on-course customer expenditure on admission, food, beverages, a race book, hospitality and membership, and

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off-course customer expenditure such as accommodation, transport and entertainment, which are all linked to race attendances. The number of Western Australians who work in the racing industry is approximately 33 686. The state government's tax revenue from wagering is \$34 million and the GST paid on wagering revenue is \$24 million. That is an ongoing income stream that this government has benefited from and one that future governments should also have access to. Currently, two further reports are being prepared. One of these is by Ray Gunston and the other is by Deloitte Access Economics.

In the metropolitan area, Belmont is the home of thoroughbred horse racing. The area known as Ascot has been heritage listed as "residential and stables" to protect this industry. The Ascot Racecourse is also heritage listed. In Belmont we are proud of the history of horse racing and a racehorse is depicted in the crest of the council emblem. Due to the importance to the area of horse racing for economic and employment reasons, since being elected I have invested a considerable amount of time in talking to those involved and listening to their concerns regarding the industry as a whole. The concerns are complex. Horse racing is not about just gambling; it is a sport, it is entertaining, and it is part of Australian history and culture.

When I have travelled overseas to Singapore and Hong Kong, I have always enjoyed attending thoroughbred races. They are promoted on the airlines and at airports, tourist centres and hotels and they offer a wonderful experience for a tourist. This includes being picked up from and returned to the hotel, a buffet meal and good seating. I am told it is similar in Kentucky in the United States, Ascot in England and Longchamp in France. If selling the TAB reduces investment in horse racing infrastructure, we will miss a great tourism opportunity to promote Western Australian racing to people in Asia. In Sydney I have attended the Sydney Easter carnival. This involved two race meetings and several other Sydney events. It is promoted on the airlines and makes a wonderful week's holiday in Sydney.

I am yet to be convinced about the current style of TAB advertising. Marketing of metropolitan events needs to be improved to increase attendance figures. The current system works well; however, a closer link between Tourism Western Australia and the racing industry would be beneficial. I would like to now quote from *The West Australian* of Friday, 15 August, as follows —

Sydney racing's autumn extravaganza, The Championships, will be more than a one-hit wonder with the New South Wales government confirming a \$10 million commitment to 2015.

Premier Mike Baird made the pledge yesterday and said while this year's inaugural staging of The Championships was successful, next year's event promised to raise the bar.

He went on to say that this year over 50 000 people attended the two-day event, and with greater brand awareness and more time to prepare, next year it will be an even bigger and better event. The article continues —

Racing NSW says a reduction in the wagering tax will allow the racing industry to finance the autumn racing carnival and secure the sport's future in NSW.

In the eastern states, governments have made changes to the structures of their racing industry. I am told that disastrous effects have been associated with the sale of some of the TABs in other states. South Australian veteran racehorse trainer Leon MacDonald has warned of the dire consequences if the WA government decides to sell the TAB. MacDonald said that the sale of the South Australian TAB for \$43 million in 2001 to the TAB Queensland had been devastating for the South Australian industry.

Western Australia has geographically the largest racing jurisdiction in the world, and regional race clubs are the lifeblood of many country towns and communities. The Broome Cup and the Kalgoorlie round are very popular and bring large crowds to these regional towns. The towns coordinate other events to benefit tourism and the local businesses. Accommodation is often fully booked months ahead. Visitors generally stay for the whole event program, and the local businesses benefit from the business that tourists generate. The country events are getting better by including entertainment for young adults and children. Over the past five years the distributions to the racing industry has grown by 23 per cent. This racing season we will see distributions exceed \$130 million. A guaranteed investment into the racing infrastructure and a reduction in the wagering tax are needed.

In closing, any government that operates in a fiscally challenging environment must consider the sale of assets as a means to strengthening the economy. The TAB is not an ordinary asset in that it provides our budget with an ongoing income stream worth millions of dollars each year. More so, it is an asset that supports an important industry—important through its contribution to tourism and the tens of thousands of Western Australians it employs.

I now refer to the *Hansard* of Wednesday, 13 August, and quote the Premier, who stated the following —

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

This is quite important. I was being lobbied. Several people came to see me, wanting time to prepare the reports I have spoken about. One of these people was Ray Gunston, and this morning I spoke to a person from Perth Racing.

Another matter, which has nothing to do with the government and the sale of the TAB, is the media report on the sale of the Ascot Racecourse. The Ascot Racecourse is made up of eight separate lots, most of which are freehold, but two of which contain a crown grant in trust. Perth Racing wants what is best for the industry, and to get that outcome it has employed Deloitte to get the best business model for the industry. As was reported, the sale of Ascot is the least desirable option; however, that did not come out in the paper.

Mr C.J. Barnett: The racing industry cannot sell Ascot. It is a state government asset, so it is not its to sell.

Mrs G.J. GODFREY: No, and it alarmed a lot of people when they saw it on the front page of the paper.

In closing, although I strongly oppose the sale of the TAB, I appreciate that it is something that the government may consider. I ask the government to consult with the industry and its many stakeholders, as it is the stakeholders who will ultimately bear the brunt of such a decision.

Mr M.P. Murray: Are you going to swap sides and vote on this side then?

Mrs G.J. GODFREY: No, I am not.

Mr M.P. Murray: Then you are talking absolute rubbish.

Mrs G.J. GODFREY: I am not; you're rubbish.

The ACTING SPEAKER: Order, members! Member for Collie–Preston and member for Gosnells —

Ms E. Evangel interjected.

The ACTING SPEAKER: Order, member for Perth, I am on my feet. We are not on the horse track.

Mrs G.J. GODFREY: In summarising, with that —

Mr M.P. Murray: The question I asked was: on which side are you going to vote?

Mrs G.J. GODFREY: I never got to finish talking while I was on my feet. If only you'd button it!

Withdrawal of Remark

Mr M.P. MURRAY: Unparliamentary words were spoken by the member for Belmont, something that members would probably hear in a horse yard.

The ACTING SPEAKER (Mr I.M. Britza): Members on my right, I never heard the point of order. I realise that a word was spoken. I was trying to hear what she said and I never heard it because of the racket. If it was an unparliamentary word, then I ask that the member withdraw it.

Mrs G.J. GODFREY: No, it was not unparliamentary. If I was at the racetrack, I would have called him something worse than that.

The ACTING SPEAKER: Once again, member for Belmont, I cannot hear what you are saying because of what is going on in the chamber. Would you give me your answer again, please?

Mrs G.J. GODFREY: I will not withdraw it because it was not unparliamentary.

Mrs M.H. ROBERTS: I realise that the member for Belmont is a new member in here but the member for Collie–Preston made an interjection on her and said that she was talking rubbish. Of course, that is not unparliamentary and that kind of thing is said all the time. However, there is a difference between saying someone is talking rubbish, for example, and directly insulting a member by saying that they are rubbish. That is a subtlety that the member for Belmont clearly does not understand. Members cannot directly hurl a personal insult at a member in this place. They can, of course, criticise what a member is saying by describing it as rubbish, and that is what the member Belmont needs to consider.

Dr M.D. NAHAN: I seek some clarification. It is my understanding that the member for Collie–Preston was complaining about not the issue of rubbish, but the accusation that he should button up, and his belief is that the accusation to button up is unparliamentary.

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The ACTING SPEAKER: I did not hear the word. However, worse things are said in this chamber and I just ask that we be careful about how we speak in this chamber towards one another and show the height of respect. Member for Belmont, I ask you to remember that.

Debate Resumed

Mrs G.J. GODFREY: I will always defer to your guidance, Mr Acting Speaker. I will not support this motion and I will tell the member for Collie–Preston why, if he keeps quiet for a moment.

The ACTING SPEAKER: Address the Chair, please, member for Belmont.

Mrs G.J. GODFREY: I do not support the motion because of the words —

That this house condemns the Barnett government ...

That is all members opposite do. All they see is a half-empty glass. I do not support the motion because of its wording.

MR J.E. McGRATH (South Perth — Parliamentary Secretary) [5.56 pm]: I am very surprised that this motion has even been brought back today because I am sure I heard the Premier make it very clear last week, when he rounded off last week's debate with a short but outstanding contribution, that no decision had been made on the privatisation of the TAB. However, he said that the option of privatisation will be looked at by this government. He also said nothing will happen in this calendar year. I know that all members heard that. The Premier also said today that if the Western Australian government goes down the path of looking at the privatisation of the TAB, which I gather is more than likely, there will be thorough consultation with the industry. What more than that could opposition members want?

Several members interjected.

The ACTING SPEAKER: When members on my left were on their feet, I was looking to be sure that the member was asking for the interjection. If the interjection comes from a member three or four times, and the member on his feet does not take the interjection, I will be forced to call the member who interjects. Member for South Perth, you will have to make it clear that you are taking the interjection.

Mr J.E. McGRATH: Thank you, Mr Acting Speaker. I have got big shoulders. I do not think I have heard personal attacks made on a backbencher the likes of which were made on me last week, but I am happy to accept that. This is not a decision that must be made in a debate such as the one we are having today. This decision must be made by a government that believes it is the right decision to make and then it must consult with the industry. As part of that process, I am sure that all the problems that people such as me see confronting the industry at the moment, will be put before the government. I would be very surprised if the government did not ask the industry what its requirements were if the government wants the industry to go along with what the government is proposing to do. Where does the industry need assistance? The Premier said that we should not expect the government to sort out the issues that are now starting to emerge in the racing industry. For instance, at the Ascot and Belmont racecourses the average paid attendance by the public is 188 people, which does not include members, owners and trainers. A couple of weeks ago, Perth Racing announced that its model is unsustainable.

Mr P. Papalia interjected.

Mr J.E. McGRATH: The member had his say last week, and I will mention him a little later—I am saving a bit for him. Ascot and Belmont racecourses are the jewel in the crown for the Perth racing industry. If Perth Racing is having problems, something is wrong. If Perth Racing cannot make a profit on its operations at Ascot and Belmont Park in a given year, there is something wrong with the model, which filters right back through the racing industry. The Premier also nailed it when he made one very important point: he said that this might be an opportunity to modernise the racing industry that is struggling to keep abreast of rising costs, dwindling attendances and ever-increasing infrastructure needs. The member for Albany mentioned the review into the Racing and Wagering Western Australia that we dealt with. I must admit as chairman I asked whether we should look at the subject of privatisation. My committee said that it was not part of the terms of reference of our review, so we should not do it. We did not, in fact, look at privatisation at any length or in any depth, but we put in our report that the industry was very comfortable with the system as it was at that moment.

A member interjected.

The ACTING SPEAKER: Member for Albany, you are not in your seat.

Mr J.E. McGRATH: Let us look at the debate. We have had personal attacks on me by the member for Collie–Preston, who said I have changed my position. Would I be the first person in the world to have changed their position on something? Of course, I always believed that the TAB should never be privatised; that was my view up until events of more recent times. I went to a meeting in Hong Kong that the member for Collie–Preston

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also went to and we saw how the global face of racing through wagering is changing by the day. We were told that for the first time in history of racing around the world—that is horseracing, harness racing and probably greyhounds—betting on sport will outstrip wagering on racing. That is a big worry because betting on sport does not provide a lot of income for the racing industry. We are seeing the world changing. Young people growing up now are saying they can have their 10 or 20 bucks on West Coast or Fremantle to win a game, but racing is a lot more difficult for them to comprehend—they have to look at the form of the horses and all that—and consequently, we are seeing this spiralling growth in betting on sport. We are also seeing massive growth in betting on fixed odds. All those people such as Jeff Kennett who say we should go back to the old days of just having a TAB have to remember that when the TAB was first formed, it had no competition. The starting-price bookies had all been put out of business and to have a bet a person had to go to a TAB agency. The windows were all frosted because under the act the TABs were told they had to regulate gambling, not promote it. Now we have the TAB promoting gambling because it has to as it is in a competitive world. If a person did not bet with the TAB, they had to go to the racetrack; they could bet on the tote at the races, which was linked to the TAB, or they could bet with bookmakers. We live in a completely different world today.

The member for Warnbro said that he spoke to a group of trainers at Lark Hill last week, and I would probably know a few of those trainers, and he basically told them that I had sold out the industry and they all nodded and agreed. I am not surprised, the member for Warnbro is a very convincing person, but I hope that in that group there were not any people who were involved when I worked very hard to have the jockeys' workers' compensation sorted out.

Mr P. Papalia interjected.

Mr J.E. McGRATH: Hang on—let me finish.

I hope there were no jockeys there because of the work I had done to help them with workers' compensation. I hope there was no-one from the Bunbury Turf Club there, because one of the reasons I became more involved in this than ever was when the people from the Bunbury race club complained that Racing and Wagering Western Australia could not provide funding to build a new all-weather track at Bunbury, which is the biggest training centre outside the metropolitan area. It has a stalls area that is so small and restricted that people are in danger of getting kicked in the morning at track work. RWWA has been able to find some money to fix up the stalls, but the big, grand plan of a new all-weather track is not going to happen.

Several members interjected.

The ACTING SPEAKER: Members, the member for South Perth has the floor.

Mr J.E. McGRATH: This is why I made a speech some weeks ago when I was accused of saying that we must privatise. All I said to the industry was that we have to look at all options. Even the member for Albany admitted that the government might have to come up with a proposition to the racing industry that will be more beneficial to it than the system we have now and can set it up for the next 50 years in this world of global competition. All I said to industry was that it should just listen; it might not agree with what the government wants to do and it can say so, but it should not shut the door. At the time the trainers put up a big wall and said, "That's it, we don't want to talk to the government."

Mr P. Papalia: Just so you know, I didn't say to them that you sold out, what I said was that you had changed your tune and that is the best indicator, because you would be considered one the closest friends of the racing industry in Western Australia in the Parliament —

Mr J.E. McGRATH: I am.

Mr P. Papalia: I said that to them. I said a good indicator that Colin Barnett is going to sell the TAB is that you had changed your tune. Before you said you didn't want it to be sold and now you're saying you do, and I said that is an indicator that he has made up his mind.

Mr J.E. McGRATH: What has happened is that I have seen the world is changing in wagering, and I see this as a challenge for the TAB the way it is structured at the moment. That is the only reason I say let us have the conversation. I have not been to the Premier and told him we should privatise the TAB. I was in Hong Kong with the member for Collie—Preston and I said to some of the people there from RWWA that I did not think there would be a privatisation and that I thought it was off the agenda. The next minute I got an email saying that the Treasurer, in his speech—I am very sorry I missed budget day, Treasurer!—said that we will look at a number of privatisations and asset sales, and one of them might be the TAB. That is when the floodgates opened.

Mr P. Papalia: Before the election, you guys said you wouldn't sell it. That's why they're upset.

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Mr J.E. McGRATH: I cannot recall that.

Anyway, let us get back to Jeff Kennett, the former Premier of Victoria. A lot of people, and I knew this would happen, have been very selective in picking up what he said today. He did say that if he had known that the growth of corporate bookmakers would be as massive as it is now, he would not have privatised the TAB back in, I think, 1994. I cannot understand how privatising the TAB has led to the growth of corporate bookmakers.

Mr M.P. Murray: He actually called them a cancer on racing.

Mr J.E. McGRATH: Yes, I know.

Corporate bookmakers have appeared because in the Northern Territory they have been allowed to be licensed, and with the internet now, a bookmaker does not have to go to a racetrack and stand there with a bag around his neck taking bets—the world has gone a bit quicker than that. People can now bet on a mobile phone or an iPad. Wherever they are in the world, they can bet with their TAB or corporate bookmaker app or whatever. Jeff Kennett was interviewed the day after making the statement, and when I heard him I nearly fell out of the car. I was late getting to the party room meeting because I thought I had better listen to this! He was carrying on about how bad corporate bookmakers are and said, “You know; I must admit I don’t know a lot about the racing industry, but I do have some interests and I have some involvement. I’ve got a share in a couple of horses. In fact, I had a bet yesterday.” The interviewer asked him who he bet with, and he answered that he bet with a corporate bookie. The interviewer said that that was a bit of a double standard and Kennett said that was the only account he had. The interviewer said that here he was telling the world that the corporate bookies are that bad and we should all bet with the TAB, and Jeff Kennett said, “Yeah, you’re right. I probably should get rid of that account.” This man, the former Premier of Victoria, is who our racing industry is now saying is the guru who knows what we should do, but I think he is still living in the 1950s. He was also the former Premier who said last year after Hawthorn had lost a couple of games that they should sack the coach, and they went on to win the AFL grand final. What he did say that I agree with was that the racing industry as it is currently structured is unsustainable beyond the next seven years. He was talking about the Victorian racing industry. However, this is a worldwide trend. He said the model is flawed in a number of areas, and he is calling for a strong independent national body to take charge of the industry. I do not think that will ever happen, because traditionally the states have always controlled the racing industries and their wagering. What has happened to the industry is that its costs are rising much faster than revenue, and Kennett said this caused an unsustainable gap—an infrastructure gap. Anyone who was on that committee with me, member for Collie–Preston, would understand that one of the main problems the industry told us about was that Racing and Wagering Western Australia could not keep up with the demand for infrastructure. In fact, at a budget estimates hearing in 2013, I asked a couple of questions of the minister, and one was referred to Richard Burt, the CEO of RWWA. He said that the infrastructure needs of the industry were about \$70 million and that —

... to address the \$70 million of current infrastructure needs, we will require assistance. I do not think it is in the interests of Western Australia for the racing industry to be consolidated to the level that would be required;

In other words, we would be shutting down tracks to get enough money to build the infrastructure. Mr Burt continues —

it would be highly undesirable, both socially and for communities. RWWA needs to work with the government to have, in a timely fashion, these infrastructure needs met.

The Premier has not said that he would not support some sort of infrastructure fund to help the racing industry, but he has said that the industry first needs to get its house in order. There are two racetracks—Belmont Park and Ascot. I would never have thought about selling Ascot, but when the club that runs the two tracks says that it cannot make any money out of it—it is like running a shop when there are no customers—what can it do? They have to close down. Perth Racing has commissioned a report from Deloitte. We need to wait to see what happens with that report, but I am pretty sure that the report will say that Perth Racing’s business model is unsustainable. I love Gloucester Park; I spent 20 years of my life working there covering harness racing. It is one of the great harness racing tracks in the world, but the industry is struggling so much that it must ask itself whether it can afford to stay there or sell up—the land is probably worth a couple of hundred million dollars—and move to another site, build a course and have some reserve funds to put into an investment as a future fund. These sorts of things are happening in other states. In New South Wales, the racing industry sold Harold Park.

To get back to Jeff Kennett, a newspaper article published today states —

Racing Victoria chief executive Bernard Saundry said Kennett had misrepresented the relationship between corporate bookmakers and the industry.

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Bernard Saundry is the prime industry statesman in Victoria. He is the chief executive of Racing Victoria, which is the equivalent of our Racing and Wagering Western Australia. The article continues —

Saundry said some of Kennett's comments "needed to be set straight" and said RV had established a "very valuable" joint venture with the TAB and 300 wagering operators.

He said the industry's racefields policy meant the wagering operators paid a "fair price" to bet on Victorian racing.

Whenever someone bets on a Victorian race, just as when anyone around the world bets on a Western Australian race, under race fields legislation the wagering operator has to pay a fee for doing that. The article continues —

Saundry dismissed Kennett's "toothless" claim against the ARB, saying the ARB would be bolstered by an upcoming merging with Racing Information Services Australia and the Stud Book.

Another thing that was raised was the Queensland TAB. People have said that that did not work. I remind members that a recent re-signing of the contract for Tatts Group to run wagering in Queensland—I think it is a 25-year contract—will put another \$4.5 billion back into the industry. All the talk that privatisation will be the end of prize money and the end of funding for country clubs is wrong; it is not going to happen. When a government goes into an agreement with a partner—if that were to happen—it would be set out that there would have to be a return to the racing industry that would see the industry sustained. That is a commitment that the Premier has made, and if the government decides to go down that path, that is a discussion it would have with the racing industry. How much money does the industry need to sustain itself? How much does it need for infrastructure? Where are the greatest infrastructure needs? All the Premier is saying to the industry is that the government does not want to tell the industry which tracks to keep and which to sell. The government makes the laws and sets the rules, and would be prepared to support the industry, as governments of both persuasions have done in the past, but the industry needs to become proactive and look at some way of modernising an industry that is probably under more threat now than it has been in its history.

MR T.K. WALDRON (Wagin — Minister for Racing and Gaming) [6.15 pm]: I want to start by saying that the TAB has not been sold. I need to make that clear, because people are talking as if the TAB has been sold, and it has not. It was said last week that the industry was in a shambles. I do not think the industry is in a shambles. It faces challenges in different areas, but a lot of good things are happening in the industry. The member for Albany stated that the racing industry in regional Western Australia is struggling, but I do not think it is struggling in regional Western Australia. It has issues, but it is not struggling, and in the racing area Western Australia Country Cups funding has received a big boost. Let us get a couple of things right from the start.

The Treasurer, in his budget speech, addressed the government's decision to tackle the state's debt issues through the orderly sale of some of the state assets. We have heard all about that. Part of the process the government will be undertaking is a strategic review of state assets, and the TAB will be included. We all know that that is in the second tranche to be looked at. The Premier has said it lots of times but I will reiterate: no decision has been made at this stage for the sale of any assets, but the process is currently being undertaken and needs to run its course. Since the Treasurer's budget speech, the Treasurer, the Premier and I have met with Racing and Wagering Western Australia and discussed what the options are and looked at all the issues. RWWA is the owner of the TAB, and it is also the peak body. We have met with it to discuss the issue, and it continues to work with Treasury, which is a good thing. It is a major stakeholder and will play a key role in the consideration of any potential sale. We need to make sure that people understand that. As I said, RWWA has met and continues to meet with Treasury officials as part of this process, so it is involved as the peak body of the racing industry and the owner and operator of the TAB. The Premier has confirmed publicly that the sale of the TAB will be considered as part of the second tranche, which will not be this year. I wanted to make those points clear from the start.

I am on the record as stating that I would support the sale of the TAB only if it were in the best interests of the racing industry and the community to do so. I have been consistent in saying that. Back in February I made that comment and I said then that I did not think the time was right for the sale of the TAB, and that I would need to be convinced that any sale was in the best interests of the industry and the community. That is what it is about; it is really about the industry. That remains my position as Minister for Racing and Gaming. Of course I am aware that, in the interests of broader state finances, the government needs to look at all options, and it should look at all options. The TAB is one option the government is looking at. I am not against privatisation, but as Minister for Racing and Gaming I will continue to advocate an outcome that produces a sustainable future for the racing industry. This whole debate is not so much about the sale of the TAB; it is actually about the future of the racing industry, and that is what I am about as the minister. The process will look at all the things that everybody has talked about. Some good points have been raised on both sides in the debate and they will be looked at and taken into account. If we were to sell the TAB, we would have to tell the racing industry what

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guarantees et cetera were in place, and that is what I am interested in if we are to go down that path. Maybe we will not go down that path, because there is much work to be done between now and when any decision is made.

I also point out that the racing industry has been through some torrid times in recent years, with equine influenza, the global financial crisis and a commercial environment that, as has been made clear, has been changing rapidly and has presented many challenges to the industry. It is really important to state, however, that under the strong leadership of Jeff Ovens and his board, and chief executive officer Richard Burt, RWWA has done a terrific job. It will always be under criticism in some areas because, like the government, it must make decisions at times, and it does not always agree with everyone. I know what it was like when I first became minister. There were some great challenges, but RWWA has weathered the storm, and as has been made clear here, distributions have steadily increased over time. It has done a good job with the TAB. It has produced jobs, it has led to economic development and it has provided a taxation return to WA taxpayers. I commend the member for Albany for providing his statistics. I was going to go through those statistics about the distributions but he went through them all. He looked at the figures. What he is saying is basically correct. The GST comes off taxation, so the net taxation benefit is about \$42.8 million. I will correct him on that but his other figures were right. I take those figures into account. The figures are there for all to see. The TAB has performed well. It has increased its distribution and its turnover. The government must consider that carefully.

Mr P. Papalia: You referred to the process payout. Is there a formal inquiry beyond the Deloitte inquiry that Perth Racing has commissioned? Is an actual government inquiry going to be commissioned?

Mr T.K. WALDRON: No, we are working through a process that involves RWWA and Treasury. I will talk about how I have consulted with the industry and industry groups, which I have met with. I will answer that as I go.

The government has to consider all those figures and statistics, which are correct, while considering privatisation. As racing minister, I want to ensure that we enable the racing industry to continue to grow and develop for a lot of reasons that have been mentioned by members on both sides of the house. There are important lessons to be learnt from privatisations in other jurisdictions. They have gone about those privatisations in different ways with varying outcomes. I will not go into the detail of it, but poker machines and all that comes into it. We have to be very careful when we compare apples with apples because sometimes there is no comparison. It is important that the pros and cons of these sales are considered strongly as part of the process that we are going through. We need to take that into account.

Country racing has been mentioned. I am particularly keen to ensure that our regional race clubs are well supported. That should be a key consideration of the process. Regional race clubs are very important in country WA. They are the community glue. They provide significant recreational and social value to the community. I get to see that regularly in my role as racing minister and as a local country member of Parliament. That really needs to be taken into account. The future of these regional race clubs is very important, not just to the racing industry but to communities out there. We need to take all these things into account before we make any decisions. I reiterate that it is not so much about the sale of the TAB; it is about the future of the industry.

As well as meeting with RWWA regularly, which I do, I have also met with various other industry groups to discuss the privatisation issue.

Mr M.P. Murray: What about Tatts? Did you get a meeting with Tatts?

Mr T.K. WALDRON: No, I have not met with Tatts. This includes the recent alliance that has been established by the industry itself, exclusive with RWWA—I meet with RWWA regularly—which includes racing luminaries such as Fred Kersley, Ron Sayers and David Simonette. They are highly respected people. I listen to those people, and I take their views seriously. My discussions with them have been very beneficial. Like me, they are keen to ensure that the racing industry continues to have the opportunity to grow and develop. That is the focus. That is what it is about.

I also met with TAB agencies. That was raised last week. I will continue to consult as racing minister, as I have always done. One thing I learnt coming from country WA is that we need to keep listening to the people we represent. I represent the racing industry and that is why I listen to what they have to say. This issue is extremely complex; it is not a simple decision to sell the asset and just get on with it. As I said before, it is good that we are looking at this. It has thrown up lots of different debates, and it is good that we have those debates. At the end of the day, I am yet to be convinced—I would need to be convinced—that it is the right way to go but I have an open mind on it because if we can get a better outcome for the racing industry and the community, that is what we should be doing. The process is a really good one. It has a way to play out. I have always discussed the future of the industry with RWWA. It has an open mind. It is looking down the track at possibilities in the future. I am

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working with RWWA on that. No decisions have been made but RWWA keeps talking to the industry and talking to me about it. I have an open mind on the future of the industry.

Mr M.P. Murray: What about the member for Belmont? Have you spoken to the member for Belmont?

Mr T.K. WALDRON: The member for Belmont has her opinion on it.

Mr M.P. Murray: I didn't ask that. I asked if you'd spoken to her.

Mr T.K. WALDRON: I have spoken to her. I think the member for Belmont is raising a grievance with me tomorrow. I will speak to her again tomorrow.

Mr M.P. Murray: She is starting to sweat a bit.

Mr T.K. WALDRON: Who?

Mr M.P. Murray: She is starting to sweat a bit.

Mr T.K. WALDRON: I think the member knows my position. My position has been completely consistent right through this and it will stay consistent.

Mr P. Papalia: What is the process? What does that mean? What is the time frame? What is the manner in which the consultation is going to be conducted?

Mr T.K. WALDRON: The consultation has been very much between me and RWWA and the industry. Obviously, I talk to the Premier and the government about what I am doing. The Premier knows that I am meeting with these people and listening, and I convey what is being said to the Premier. I will continue to do that. I know that RWWA is going through a lot of stuff with Treasury—looking at all the stuff that has been talked about. It will be taken forward from there. I do not know the exact process that will take place from there. The Premier has said that again there will be further consultation with the industry. Industry reports are being done. We need to look at those reports. The government has every right to look at the future of the TAB.

Mr P. Papalia: But it's a very substantial matter involving hundreds of millions of dollars, so it should be done in a transparent fashion so we can see that we are getting value for money.

Mr M.P. Murray: The Treasurer jumped the gun, not us; we're responding to the Treasurer's speech in the main.

Mr T.K. WALDRON: The debate the opposition is having suggests it has already been sold. It has been a good debate. The Premier said the sale will be considered. Members opposite can go through *Hansard* to see how many times we have said that. They know that. When something is considered, it is considered. We are in the early stages of that. It is not part of the first tranche, as members opposite have been told. When we get to that stage, further consultation will take place. I am being proactive about that now, as is the government, RWWA and Treasury, because the more work we do now, the better the picture we will get. As I said, the position is that the sale of the TAB will be considered. I need to be convinced that it is in our best interests. That is what I have said consistently. I will leave it at that.

MR W.J. JOHNSTON (Cannington) [6.27 pm]: I thought the Treasurer was going to get up and say something. Was the Minister for Racing and Gaming the lead speaker for the government in this debate?

The ACTING SPEAKER (Mr P. Abetz): I would not know. Can somebody clarify that?

Mr W.J. JOHNSTON: I am told that the Premier was the lead speaker. We have already heard from the lead speaker. I was not quite sure.

I rise to participate in this debate. I will mention the forgotten code, which is greyhounds. Greyhounds WA is very important to the electorate of Cannington because it occupies leased territory out there at the showgrounds. The showgrounds belong to the Canning Agricultural, Horticultural and Recreational Society. It is a not-for-profit organisation. I disclose that I am a proud member of CAHRS. I also make the point that before I became the member for Cannington, I used to go to the dogs every so often with some of the community groups that I belonged to as a parent in the local area. Of course I attend now as a member of Parliament but it is not like that was the first time I went after I was elected. I have been going to the dogs off and on over the years while living in the local area.

When we count the transport infrastructure, inflation and all these things, the government will spend every cent of \$2 billion building a stadium for a range of sports, particularly the Australian Football League. If we divide \$2 billion by 60 000, then multiply that by the regular attendance at the Cannington track and if we were to support the greyhound industry by exactly the same amount in support for the AFL, it would get \$25 million for improvements to the track out at Cannington. Of course we know what needs to happen out there: the track needs to be moved from its current location at the front of the leased space and put out at the back of the

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location. It is interesting to note that the government has allowed—in fact, cabinet has endorsed it—a new lease from Greyhounds WA for the facilities at Cannington. The lease has been entered into on the basis that the dog track will move from its current location to the area that is called the trotting track, which is the training track out the back, yet the government has not yet allocated the money to facilitate that move. I understand that another \$10 million is needed from government to cover the gap between the amount available to Greyhounds WA and the amount needed to complete the move. I make the point that proportionate to the crowds it is nowhere near as much as the amount being given to the Australian Football League. That figure is on the basis of the AFL filling the new Perth Stadium every time and taking an average crowd for the dogs. If we base it on the maximum crowd for the dogs, the figure would be over \$100 million, because the largest crowd for the dogs at Cannington is over 4 000 people. As I have said in this chamber previously, the largest dog crowd in Australia is the dog crowd for the two premier events for Cannington Greyhounds, which is the Perth Cup in February and the New Year's Eve event on 31 December each year.

The great thing about members of the greyhound crowd is that they are not pretentious. They do not go out there to sip champagne; they go out there to have a beer and a chat and maybe a bit of a flutter. When I went out there once with my son and daughter and their Little Athletics Australia club, I watched the kids racing the dogs for the last 50 metres of the straight. The dogs started at the end of the straight, ran past the corner and back around to the finishing post for a lap and a quarter, and the kids lined themselves up at the finishing post and tried to race the dogs to the corner. That was a family atmosphere; it was a picnic atmosphere. People can go out there and have a buffet feed at the restaurant, and if they go out there with a community group, like I did before I was a member of Parliament, they know that they will have a good family evening with no hassles. It is a great crowd. Sure, some serious punters go out there as well as personalities from 6PR catching up with Millsy when they are there for the Perth Cup. It is a great night out. That is why 4 000 people go there, which is a really big crowd. Compare 4 000 people with the largest Western Australian Football League crowd this year, which was 6 000. It is actually a very substantial number of people. I looked up the figure for the average crowd, which is about 2 000—and people think greyhound racing is a niche pastime! The overall average crowd at Cannington is 720. On a Wednesday weeknight when it is raining in the middle of winter there is still an average crowd of over 700. As I said, that is one-third of the average number of people who attend a WAFL match. Greyhound racing is actually a well-supported sport, much more so than people give it credit for when we consider the number of people participating in it. They get onto Sky Racing, of course, because that is where all the racing codes are. Sure, it is not like the WAFL on the ABC, but it is a much bigger part of sport in Western Australia than people give it credit for. The Premier talked the other day about the small number of people—he said it was about 51—who turn up for a dog race. There is probably an occasional dog race that attracts a small crowd. Of course, the Northam races attract virtually nobody, but Northam races are not designed for a crowd. There is no crowd facility at the Northam track. That is not what it is about. It is about providing another opportunity to get betting on TV for a TV audience. It is deliberately designed in that way. If we count the number of races at Northam and divide that by the crowd numbers, we get a very low figure. However, the average actual attendance at Cannington is over 700, even in the middle of winter when rain is bucketing down. I am averaging that crowd into the whole week. I am sure the member for Mandurah knows the average crowd number down there. Mandurah also gets a significant number of people. In the 2012–13 financial year, attendance at Cannington was 72 289 and 39 979 at Mandurah.

I am sorry that I missed the Perth Cup this year, but last year I was pleased to be there when Miata won the cup. It was a fabulous night. My son, of course, is underage and could not bet. However, I placed a bet and he was very excited when we won and insisted on sharing half the winnings because he reckoned that he was the only person in the crowd who picked Miata as the winner! Unfortunately, I do not think that was right.

Mr T.K. Waldron interjected.

Mr W.J. JOHNSTON: Yes, there were quite a few. Of course, the return was pretty low, so giving up half of my winnings to my son reduced my winnings even further! The Minister for Racing and Gaming has been to the races. I am sure he has a very busy program and has lots of demands. He does not get along to the Perth Cup every year, but I know that he has been there, as we have sat and chatted out there on a number of occasions, and there is certainly a representative of the minister there each time.

I want to make the point, too, that there are 164 casual jobs at the Mandurah and Cannington tracks but very few casual jobs at Northam. I know from my experience in the electorate of Cannington that a lot of people have a casual job at the dogs. They work just those two nights, Wednesday and Saturday, and that provides a little bit of extra income to make a difference to their family budget, so they are important jobs in my community. I go along to the track and chat to people working in the restaurants, a number of whom are constituents in my electorate. Every time I have been able to, I have been very keen to talk about the importance of the jobs that are created by the Cannington dogs. I make the point again that on a proportional basis, even taking into account the

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average crowd and not the maximum crowd, the government to be fair should be looking to put in a substantial amount of money. If the government were to make the same contribution that is being provided to the AFL stadium, it would put \$25 million into the track. Of course, Greyhounds WA is not asking for that much; it is asking for less than that. It certainly justifies that investment.

I make the point, too, about all the trainers and owners involved: many are in the greyhound or dog breeder area at the southern end of Cannington and at the southern end of Gosnells. I know that the member for Gosnells has a retired greyhound as a pet. Another important part of what is done out there is making sure there is a future for those dogs.

Mr C.J. Tallentire: They make sure there is a future for those dogs instead of putting them down.

Mr W.J. JOHNSTON: I know people are surprised to hear how docile the dogs are. I was talking to others and the member for Gosnells about how it is hard to get the damn animals to exercise enough, and they start to put on weight.

Mr T.K. Waldron: It is an excellent program.

Mr W.J. JOHNSTON: Yes, it is an excellent program.

Ms L.L. Baker: So is Off the Track. Do you know what that is?

Mr T.K. Waldron: No.

Ms L.L. Baker: It is the program run by Racing and Wagering for thoroughbred race horses. There are 15 000 of them slaughtered every year, so it is a good program.

Mr W.J. JOHNSTON: Obviously, I am putting in a bid to support the greyhound track. The Canning Agricultural Horticultural & Recreational Society makes the point that it was its initiative to build the track in the first place. Even though the club acknowledges that it has had the benefit of the lease over that time, the government and people say that the land does not belong to the greyhound club; therefore, it is a bit odd, because the other codes all have their own track. However, CAHRS makes the point that it was the one that paid for the original infrastructure, and subsequently it has been developed further. The infrastructure of the building is no longer up to standard. It is almost literally falling down. Even if the dog track did not have to move from its location, we would still have to spend a significant amount of money to bring the crowd facilities for the track to a proper standard. Given that it needs to be relocated to the back of the facility, we may as well spend money on the new location rather than on upgrading the existing location. It is important to understand that moving the dog track is a very major and important part of facilitating development in my community, because it provides ongoing security for the Canning Agricultural Horticultural & Recreational Society. CAHRS is one of the very few metropolitan agricultural societies that have adapted to modern times. It has a very, very good active membership beyond old-fashioned discussion of agriculture and it owns its own land. Unlike some other metropolitan shows, which use council-owned facilities, CAHRS uses its own facilities that it owns freehold. That is an important difference. Moving the dog track facilitates the continued development of its facilities to guarantee their ongoing future as part of its own business plan.

The ag society will agree to cede a portion of the land to complete Liege Street through to the Gerard Street bridge, which will provide a way of getting across the railway line without people having to go across a level crossing. I have talked 100 times in this place about how important that is. It is not the central component, but it is a bonus from moving the dog track. There are a lot of good reasons for the government to invest in this. People look down on greyhound crowds but, as I said, proportionate to the West Australian Football League crowd, it is not that small; it is quite large. The dog track had 4 000 at its major event compared with 6 000, which was the largest crowd at a WAFL match this year; I just looked that up on my computer before I spoke. It is more than just a niche sport. Many people are involved in training and owning dogs and all those other aspects of the industry. I think it is very worthy of the continued support of government.

I will conclude with a couple of remarks about the report from the committee in the last Parliament. I cannot remember its proper name now.

Mr J.E. McGrath: The racing and wagering acts review.

Mr W.J. JOHNSTON: Yes, the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts. I want to point out two recommendations. Recommendation 27 states —

That the Minister for Racing and Gaming in conjunction with the Treasurer reviews the rates of tax for totalisator wagers and fixed odds wagers in sections 4 and 5 respectively of the *Racing and Wagering Western Australia Tax Act 2003* with a view to enabling Racing and Wagering Western Australia to compete more effectively.

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[Member's time extended.]

Mr J.E. McGrath: You may as well take an extension in the whole debate.

Mr W.J. JOHNSTON: I will sit down at 10 to seven, so the member for South Perth will be happy. The response from the government was —

The Government will consider the Committee's finding that RWWA needs a wagering tax regime that is consistent with other Australian jurisdictions in order for it to compete more effectively.

This issue will be further assessed by Minister for Racing and Gaming in conjunction with the Treasurer.

It would be interesting to report back on how that consideration is going, because it was clearly an important issue in the committee's report. I also note recommendation 32, which states —

That virtual racing and Keno should not be expanded to TABs and licensed premises.

The response of the government was noted, and there is nothing in the section for comments. I know that the government gets approached constantly; it does not have to ask. I know this happens. All sorts of organisations and businesses in the community would love to have keno on licensed premises. I imagine that many would like to have virtual racing, and it would be more reassuring for all the codes, including the greyhounds, if the government responded positively to that.

Mr J.E. McGrath: Would you support keno and virtual racing?

Mr W.J. JOHNSTON: No.

Mr J.E. McGrath: That is why the report is probably worded against it. We knew we would not get your support.

Mr W.J. JOHNSTON: That is the thing I am getting at, parliamentary secretary. The response from the government is that it has noted the recommendation, but it has not said that it agreed to it, and it has made no comment about that recommendation. It would be more reassuring to all the codes if the government said that it agreed with the recommendation of the committee, because, obviously, a proliferation of gaming options would be detrimental to the income of the TAB. We already have keno in Western Australia; it is played at the casino. One of the great things about WA—it also brings challenges—is that we do not have poker machines all over the place. We do not have dozens and dozens of betting options as other states do. That means that we have fewer social problems arising from gambling, but, equally, we have the problem of funding the industry out of the revenues of the TAB. I imagine that the parliamentary secretary considered that an important recommendation, and it would be great if the government positively responded to it rather than leaving it hanging. I have only about 180 seconds to go before the member for Collie–Preston speaks.

Mr J.E. McGrath: Has he settled down? Has he cooled off?

Mr M.P. Murray: He's hungry!

Mr W.J. JOHNSTON: Who? Is the member for Collie–Preston referring to me or to himself?

When the Premier was asked a question about the TAB in the chamber one day, he gave a long answer. One of the things he said was that he did not know whether it was right for a government to own a gambling organisation. The government owns two gambling organisations—the TAB and Lotterywest. Plenty of voracious people want to buy the TAB and just as many would love to buy Lotterywest. Western Australians spend more on lottery products proportionately than people in any other state, so Lotterywest is probably the prize that those gambling companies would be after. The argument that the government should not own a gambling organisation is an argument in favour of privatising and selling Lotterywest, and I do not think people in this chamber would support that. Government members have to be careful about making their arguments about why we should sell the TAB, because every logic that says we could sell the TAB is the same logic that says we could sell Lotterywest. That is why the Labor Party is opposed to it. We do not want to sell the TAB as we do not think it is in the interests of the industry, and we do not want to sell Lotterywest because we do not think it is in the interests of the people of Western Australia. It would be good to have a bit of reassurance on all these issues, and particularly for me, on the funding for the upgrades of the Cannington dog track.

MR M.P. MURRAY (Collie–Preston) [6.50 pm] — in reply: Firstly, can I thank all the speakers on this motion tonight. The debate has been quite good, and it shows what the political process is all about. We have flushed out some of the different views of the government. The Treasurer has a different view from the Premier; the Premier has a different view from the Minister for Racing and Gaming; the minister has a different view from the member for South Perth; and the member for South Perth has a different view from the member for Belmont. But none of those people has listened to the industry. What an amazing debate we have had tonight! The views

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have been flushed out, and the government does not have a common position. The government says the industry is not in turmoil. If there is no leadership, of course it is in turmoil. The member for South Perth said one thing in one *Hansard* and another in another *Hansard*. The minister said it will be done only if it is in the best interests of the industry. The Treasurer said it will be sold to retire debt. The Premier said we might do it in the future. We know what that means. We know that he is going to do it, but he is going to have all these secret meetings with Tatts, and others, and try to get a price and work out how much he can scoop off the top, and the industry can have a bit around the bottom. What a mess it has been! Then what about the member for Belmont! She totally opposed the government's position, but she then got cranky because I said that she should come and vote with us on this side! I do not understand the logic of what the debate has been about tonight. There has been no logic whatsoever. That is what is wrong with the industry at the moment.

I am happy to hear that the minister has met—it must have been in recent times—with the TAB agencies. However, unfortunately for them, they have been left in limbo, because this government does not have a position on this matter. As I said the other night, eight or nine of those businesses are up for sale. Would anyone in the chamber buy one of those businesses from a government that does not know where it is going on this issue? Those poor people will be strung out, and strung out for I do not know how long—until the Premier decides, I suppose.

There stands the problem. The industry itself had to go out and bring in people to do its own research, when in real terms it is the government's decision and the government should have been out there leading the pack. But the government did not do that, and so the industry had to fork out from its own pocket for that research—although even that is confusing, because somewhere along the line I read that Racing and Wagering Western Australia has put some money into that research. How does that work? RWWA members stood on the footpath, in front of their offices, and said, “We do not support the privatisation of the TAB.” That is another group—a very strong interest group—that is doing a good job, but no-one is listening to the individual groups, and there is no way that they are being brought together, through the minister or the Premier, to get on and say how they are going to do it. We heard that there is plenty going on. But there is no coordination. In the end, if we want to kick a goal, we have to get all the team to kick the ball the same way. Of course, we have the fullback on the wrong side—the member for Belmont! She would be kicking the ball back over her shoulder instead of kicking it out in front. In her speech tonight, she has been trying to support the industry, because she is very, very nervous about an election coming up in two years' time, because this decision will impact immensely on her area. I understand that nervousness, because I have been there, on 43 votes—a few less than the member has. I understand those pressures. Where are we going and what are we going to do?

Jeff Kennett has been run down by the member for South Perth for his very bland and straightforward comments. Jeff Kennett has said that privatisation of the TAB would be a mistake. Of course the industry is going to come out against that. It is obvious that it would be no different from what the minister would be doing with RWWA. The minister would be saying, “Haven't you got anything to say? Get out there and discredit what has been said.” Jeff Kennett is a very well-respected politician from the east coast. We all know that. Also, being a Hawthorn supporter, he is very similar to the member for South Perth—he yells at them one day and claps for them the next.

But, in saying that, I am looking at what has been good in this debate tonight; and, that is, we have flushed out where we are going—or if we are going. It is a good bus to be on! We are not sure whether it is going to leave the station and whether it is going to go down the road, reverse, go sideways, or go down the side street and get jammed down there somewhere. We do not know. We heard the member for Cannington talk about the industry in his electorate. The minister was asked in estimates about where the money will be coming from for a grandstand in Cannington. That is a huge grandstand. We have brought it down in size so that it can have only 500 people in it. A grandstand—a garden shed would be more appropriate in that area!

The minister said in estimates that he is looking for the money. I am always looking for a few bob, too. Has the minister found any money—that is the point—for the greyhounds? I do not think so, because I have not heard it in here, and I did not hear the minister answer the question from the member for Cannington. That may be a small part of the industry in number, but it is a vital part in the overall betting picture and it returns one of the best returns from the TAB. It is right at the top, in front of galloping and also in front of harness racing. Why that is being pushed out on the side I will never, ever understand.

Mr M. McGowan: They don't like the dish lickers!

Mr M.P. MURRAY: Yes!

On top of that, there are 55 race clubs in this state. Have all those race clubs been consulted? The member for South Perth was with me in Hong Kong when a QC from South Australia told us that all their race clubs in the outer areas are closing or have closed. That is because there was no money coming back to support them, as the

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TAB does. A percentage of the turnover that goes through the betting machines goes back to those clubs. That is what keeps them viable. If that money is gone, we will probably end up with not 55 clubs in Western Australia, but around 15 or 20, and they will be the ones in the outer metropolitan areas, and a few major races like the Broome Cup and the Kalgoorlie Cup. Leinster, Roebourne and maybe even Port Hedland will be gone because if they do not have support from the TAB, they will not survive. We can go around and look to the major sponsors, but that is very difficult to do year in, year out.

It was also interesting—I have it in my notes—to hear about the football stadium, but I will brush over that because the member for Cannington did a very good job in making that comparison.

When we look at this industry, it is very important and vital to this state, both directly and indirectly. This is an industry that employs, both part time and full time, 30 000 people. Some of the people who are in these jobs—I do not mean to be demeaning to them—are not necessarily the most educated people, but they love it to death. What they pick up in wages on a Friday is not going to buy them a castle, that is for sure, but it is more a labour of love than anything else. We look at that—30 000 jobs—and yet we have a government that has not been able to put together tonight, or last week, a reasonable proposal that the opposition can look at.

We have seen the crocodile tears from the member for South Perth because he got picked on last week. I have left him alone this week because I did not want him to be crying in here, but what about the savage attack on me from the member for Belmont! It was so heart-breaking that I had to get protection from the Chair! It was really, really bad.

If we look at the overall picture, it comes back to something that is very simple. The government has gone out and made statements, but it has not had anything to back up those statements. The government has stated that it is going to privatise, and then we heard the handbrake coming on and the wheels skidding, and up popped the minister saying, “No, no, no; only if it is relevant and the industry wants it”, and then we had the Premier saying, “No, but maybe into the future”.

Debate adjourned, pursuant to standing orders.

House adjourned at 7.00 pm
