

BETTING LEGISLATION AMENDMENT BILL 2001

Second Reading

Resumed from 14 May.

HON BARRY HOUSE (South West) [10.16 pm]: The Opposition supports this Bill also. I am very pleased that we are debating this Bill before the end of the session this year. I am pleased that the minister and the Leader of the House were persuaded, as a result of a campaign that was run by many people, to deal with the Bill. I too urged the minister to deal with this Bill promptly.

Hon Kim Chance: We were persuaded by your eloquence, Mr House.

Hon N.D. Griffiths: It was based on the fact that you would speak for no more than 10 minutes!

Hon BARRY HOUSE: Thank you. The result will be welcomed by many participants in the racing industry, particularly the bookmaking sector; it is important to their future. The legislation provides for amendments to the Betting Control Act 1954, which licenses bookmakers. It will provide a licence to be issued to a body corporate or a partnership. Bookmakers can trade only as sole traders now. Subject to the approval of the Betting Control Board and the relevant racecourse controlling authority, bookmaking will be permissible on a racecourse at times other than during a race meeting at the racecourse. That means, for example, that if a race meeting is washed out and cannot operate, an auditorium can operate at the racecourse.

The other part of the Bill will amend the Totalisator Agency Board Betting Act 1960. It will ensure that no claim may be made against the TAB, members of the board, its officers, employees or agency for a bet that has been accepted otherwise in accordance with written law, other than a claim made before 6 February 1999 or made by the TAB against an agent of the TAB. I understand that this amendment will exempt the Rosendorf case, which is before the courts.

Hon N.D. Griffiths: The date was chosen because it is the only case.

Hon BARRY HOUSE: The Bill will also amend the Act to allow the board of the TAB to delegate duties and powers to the manager, secretary or other officer of the board. I understand this is a technical amendment aimed at overcoming an unintended consequence of changes to the Betting Control Board in 1996, which removed the chief executive officer as a board member. This amendment will correct that anomaly. It ratifies past actions and authorises delegation.

I am conscious of the time, so I will not say as much as I might have said under other circumstances. This issue invites a lot of general comment on the racing industry. However, suffice it to say, the clause aimed at improving the lot of bookmakers is important and has been eagerly anticipated by that sector for many years. I can recall Hon Max Evans discussing the corporatisation of bookmaking a few years ago when he was the minister. It has been on the drawing board for some time and I am pleased that it has finally reached the stage at which we can approve it. I understand that it was approved by Cabinet in 1999, so I am pleased that it has finally reached this Chamber.

It is worth saying that bookmakers are an absolutely vital ingredient in the racing industry. They provide a product that is important in marketing the racing industry. In fact, racing without bookmakers is like a circus without clowns or a party without music or balloons. Bookmakers provide an enormous element of the colour, personality and attractiveness involved in the racing industry. Their value in turnover to the industry in Western Australia is approximately \$190 million per annum. That compares with the Totalisator Agency Board's turnover of approximately \$800 million. In absolute terms, bookmakers contribute about one-quarter of the racing industry's turnover. It is no secret that they are suffering badly at the moment. The number of bookmakers in the industry in Western Australia is in serious decline. I understand that currently between 50 and 65 bookmakers are registered in Western Australia. That is down from about 90 in 1990, which gives members some indication of the decline. Ten years ago there was a waiting list for bookies to field at Ascot Racecourse. I think eight fielded at Belmont Park Racecourse last Saturday. The decline has been quite marked. Only one bookie is fielding at the trots meetings at Gloucester Park. Their presence at country meetings is usually only by agreement. The number of bookmakers actively involved in the industry has taken a serious dive. That is due to a lot of factors. It is due to cutthroat competition between bookmakers. It is due mostly to bookmakers losing their competitive edge over other aspects of the industry. They have lost their competitive edge over other forms of betting; for instance, Internet betting. They have lost their competitive edge over the TAB. They have lost their competitive edge in Western Australian racecourse charges over those applied in other parts of Australia. Effectively, they have lost their competitive edge over eastern States' bookies. They have also lost their competitive edge over other forms of gambling in society. There is the casino, keno, lotto and everything else. There has also been a growth in sports betting. The worldwide figures for sports betting on

the 2002 FIFA World Cup being held in Japan and Korea are quite staggering. About £7 billion has been outlaid on the World Cup in the United Kingdom alone.

Hon N.D. Griffiths: It has been fairly healthy here too.

Hon BARRY HOUSE: Sure. I am led to believe that \$US26 billion has been laid on sports betting for World Cup soccer in Asia alone. The sports betting market worldwide is enormous.

The changes in this Bill will allow bookies to operate under a corporate structure. This will still, of course, be with adequate safeguards. Bookies will have to provide mandatory security bonds, as do all company directors. This will be at the discretion of the Betting Control Board, which may limit the level of exposure of bookies. The aim is to enable WA bookmakers, with better working capital and backing, to better compete against other elements of the gambling industry and their eastern States opponents.

The Bill will also remove fielding time restrictions, therefore allowing for auditoriums. Auditoriums are unlikely to be used extensively unless inclement weather restricts bookies, or bookies want to field on a special occasion such as the Melbourne Cup. Auditoriums may be established with the approval of both the Betting Control Board and the principal club. For example, if the Bunbury Race Club were to oppose an application because it feared that people might not attend country meetings if they could bet at Ascot Racecourse or Gloucester Park, the control board probably would not allow it. In fact, bookmakers have given an undertaking that will prevent that from happening in any event. Auditoriums are best suited for special events such as the Melbourne Cup. The auditoriums in the eastern States have had a mixed result. I understand that in parts of Asia, such as Singapore and Hong Kong, auditoriums have been very successful, but in parts of Australia, such as South Australia and the Australian Capital Territory, they have not been all that successful. Therefore, this legislation to allow their operation may not necessarily lead to the widespread adoption of auditoriums. Nevertheless, it provides that option for the industry.

Bookmakers welcome this legislation, because as sole traders they cannot compete on the current market with other aspects of betting. Most of the bookies have been around for a long time, and they have seen this legislation get to the barrier quite a few times but stall. They want to retain or increase the number of bookies so that they can compete with the TAB in particular. That is necessary because Western Australia is the only State in which turnover is in decline. In Victoria, the Government provides incentives to assist the industry that are not available in this State. Bookies in Victoria pay no stand fees. Western Australia is the only State in which stand fees still apply, although there has been some negotiation in recent days and some of these things have been changed.

Hon N.D. Griffiths: You would be aware that, for example, the Turf Club gets the benefit as a result of the decision of your Government. You would also be aware that the arrangements in Victoria and New South Wales are underpinned by poker machine revenue.

Hon BARRY HOUSE: I understand that TABCORP Holdings Ltd is obliged to provide some of the revenue from gaming machines to the racing industry, and that is an enormous advantage for the racing industry in Victoria. The stand fee in Western Australia is \$355, although I understand that negotiations in the past few days have moderated that amount. In Victoria, bookies pay one per cent in turnover tax, whereas in Western Australia they have been paying two per cent, but that may have been moderated slightly. Unlike Victoria and New South Wales, Western Australia has a two per cent betting levy tax, the revenue from which goes to the clubs. About six weeks ago, I spoke on this legislation to a prominent Western Australian bookie. He estimated at that time that if he were to transfer his business the next day to Victoria, he would save \$212 000 in taxes and charges. Western Australian bookmakers are finding that they cannot compete with other States because of the relative burden of taxes.

Bookmakers also welcomed the opportunity for an auditorium. The example was provided to me that when a couple of bookies wanted to field on a race meeting at Flemington, the only meeting at which they could do that in Western Australia at that time was the Kellerberrin trots. That might be excellent for the Kellerberrin trots -

Hon Kim Chance: It has a very fine trotting club.

Hon BARRY HOUSE: I have no doubt. Bookies are looking for the opportunity to provide one auditorium, which will not affect the close city racetracks like those at Northam, York, Pinjarra and Bunbury, because of the undertaking given by the bookmakers. The auditorium could possibly be at Gloucester Park or Ascot.

As good as this legislation is, the bookmakers have one further request that relates to the limits on telephone betting. They would dearly like to see a reduction in the telephone betting limit from \$200 to allow more access to bookies to make them viable. They want it reduced to \$50 or something like that. Of course, the Totalisator Agency Board is not too keen on that. The minister might like to take that on board and have a close look at it, because once again the situation applies in other States but not in Western Australia.

Hon N.D. Griffiths: It has been dealt with differently in other States. You would be aware, as would members of the Western Australian Bookmakers Association and anybody else who has taken an interest in this matter, that I am monitoring how it is progressing in the other States. I must be very mindful of the interests of the TAB, because the matter has an effect on the revenue and the overall welfare of the racing industry.

Hon BARRY HOUSE: From speaking to the TAB, I found that it was not wildly supportive of this legislation, but it was tolerant towards its introduction.

Hon N.D. Griffiths: That surprises me. Who told you that?

Hon BARRY HOUSE: The TAB has some concerns about the corporatisation of bookies.

Hon N.D. Griffiths: Why?

Hon Norman Moore: Perhaps the officers tell Hon Barry House things they will not tell you.

The PRESIDENT: Order!

Hon BARRY HOUSE: The TAB was not going to oppose the legislation publicly, but it would prefer that it had not been introduced. Bookmakers are obviously in competition with the TAB to a large degree, although I would be prepared to argue the point that their activities in many cases can be complementary on a racetrack and one tends to feed off the other.

The TAB has some concerns, mainly about the possibility of credit betting getting out of hand. The TAB cannot take credit bets but, of course, bookies can take credit bets on the nod or on the telephone. The point was raised that this is a part of the new legislation and will need to be monitored closely in case it gets out of hand. It was suggested that perhaps bookies might be required to scrutinise punters lodging credit bets, like the banks vet people when they try to open an account. That might be fine in theory, but the practicalities are very difficult, if not impossible. I will not mention all those things except to return to the major point that the bookmakers will welcome this legislation. The Minister for Racing and Gaming is not the flavour of the month with bookmakers. In April, the Western Australian Bookmakers Association delivered a vote of no-confidence in the minister and the Western Australian Turf Club. The vote was taken because of the frustration felt with aspects of the way in which the bookmaking industry was being treated by this Government, and its slowness in getting this legislation to be debated. The industry also had concerns with the Western Australian Turf Club. Frustrations have bubbled to the surface over the past six months and there have been at least two threats of strike action by bookmakers. There have been crisis talks; some were held yesterday in which the Turf Club made some concessions. My understanding is that the bookmakers association is content with about 90 per cent of the concessions. However, a few issues are still outstanding. They need to be resolved before the industry returns to normal.

The plight of the bookmakers is not new. In 1989, the then chairman of the bookmakers association, Rick Hart, resigned out of frustration with the industry due to the way in which the Turf Club and other aspects of the industry were treating bookmakers in this State. Rick Hart subsequently became a member of the Western Australian Turf Club committee and was the heir apparent to the chairmanship of the committee before he was appointed chairman of the Fremantle Dockers. He is doing a good job with the Fremantle Football Club. He is probably very thankful he is out of the racing industry. He raised some of these issues 13 years ago. It is frustrating for all concerned that it took so long to get something done that will give bookmakers more flexibility in conducting their business in a way that is more appropriate to the modern world. This legislation is long overdue and it will provide a more level playing field for bookmakers in the industry. Bookmakers are an integral part of the sport and the industry. They are suffering at the moment; they are on their knees in many respects and they need the support of this legislation. On that basis, I am happy to support the Bill.

HON J.A. SCOTT (South Metropolitan) [10.38 pm]: I propose to give another precise and succinct speech on this Bill. The Greens (WA) support this Bill and agree with the points made by Hon Barry House. The Greens are very pleased that so many members support the Bill.

HON N.D. GRIFFITHS (East Metropolitan - Minister for Racing and Gaming) [10.38 pm]: I thank Hon Barry House for his support and for the support of the Opposition. I also thank Hon Jim Scott for giving a very good speech. It was not as good as his previous speech as it was about four times as long. He indicated that he agreed with everything Hon Barry House said. I agree with much of what Hon Barry House said but I do not agree with his unkind comments.

Hon Barry House: They were not my comments; I was stating what was said by others.

Hon N.D. GRIFFITHS: I think the comments were misplaced. It is a strange world in which one gets criticised for doing something because it was not done 12 years ago. I thank the House for its support.

Question put and passed.

Bill read a second time, and by leave, proceeded through remaining stages without debate, and passed.