

Mr Matt Birney; Mr Eric Ripper; Mr Arthur Marshall; Chairman; Mr Mark McGowan; Mr John D'Orazio; Mr Norm Marlborough

Division 71: Racing, Gaming and Liquor, \$70 784 000 -

Mr Dean, Chairman.

Mr Ripper, Treasurer, representing the Minister for Racing and Gaming.

Mr B. Sargeant, Director General.

Ms D. McLauchlin, Manager, Corporate Services.

Mr T. Ng, Principal Accounting Officer.

Mr BIRNEY: I draw the Treasurer's attention to page 1247 of the *Budget Statements*. One line item refers to amounts authorised by other statutes and the Liquor Licensing Act 1988. For 2002-03 an amount of \$2.7 million has been budgeted. The forward estimates in last year's budget papers estimated \$10.5 million for the following three years. Only \$2.7 million will be spent this year. In the next three years about \$3 million will be spent each year. It appears to be a massive saving over three years of \$24 million. Is the Treasurer able to explain what the line item means and what he proposes to do with the \$24 million saving?

Mr RIPPER: The States have previously run subsidy schemes for low-alcohol beer. At the Treasurers Conference in March it was agreed that there would be a national scheme for the subsidy of low-alcohol beer. The Commonwealth will reduce its excise rather than the State pay a subsidy. That accounts for all of the decline from \$10.1 million to \$2.7 million in the estimates for the output. The State does not gain from this arrangement because the Commonwealth makes adjustments to the budget balancing assistance that it gives the State.

Mr BIRNEY: Is the Treasurer able to explain that?

Mr RIPPER: The Commonwealth provides the State with a guaranteed minimum amount in commonwealth grants to the State. That includes revenue from the GST and an additional amount.

Mr BIRNEY: Is the Treasurer talking about the amount of \$4 billion?

Mr RIPPER: The Commonwealth provides the State with a guaranteed minimum amount based on GST revenues. The Commonwealth has to top up that figure as the State does not get as much under GST arrangements as it would have done under previous arrangements. The arrangements will be changed again and the Commonwealth will take over responsibility for low-alcohol beer subsidies. It will reduce its payments to the States to account for the States no longer undertaking that responsibility. It does not make any difference to this State's financial position at the moment. However, when GST revenues exceed what the revenues would have been under previous arrangements, the State will not have the responsibility to fund the low-alcohol scheme and, therefore, have an advantage. That will not happen this financial year but it may happen in 2004-05.

Mr BIRNEY: Does the Treasurer have written advice to that effect from the federal Treasurer? Has the federal Treasurer advised the Treasurer in writing that commonwealth grants will be reduced by \$24 million or so over the next three years as a result of the change in arrangements on the subsidy of low-alcohol beer?

Mr RIPPER: I have a letter from Peter Costello in which he outlines the new arrangements. They were the subject of discussion at the Treasurers Conference in March. It is a new national arrangement. It affects all States, not just Western Australia.

Mr BIRNEY: Has the federal Treasurer advised the Treasurer in writing that commonwealth grants will be reduced as result of the change in arrangements affecting low-alcohol beer subsidies?

Mr RIPPER: He has written to me about low-alcohol beer subsidies. I would be very surprised if the full arrangements were not detailed in that letter. I do not have the letter with me but I can tell the member what the arrangements are. The Commonwealth will assume responsibility for the subsidy and will adjust the State's revenue accordingly. In due course, the Commonwealth will not adjust the State's revenue because it will be reliant only on the GST and not on commonwealth adjustments. At that stage, the State will benefit, but not yet.

[4.30 pm]

Mr MARSHALL: We all know that racing is at its lowest point ever. I believe the fourth dot point on page 1247 is timely. It refers to the major reform of the industry that was recommended by the Western Australian Racing Industry Review Committee chaired by Mr Turner. What were the full costs of this review committee? Can the Deputy Premier also provide the breakdown of that cost to detail what each committee member was paid and how much the committee cost to set up? What funding does the Deputy Premier believe will be needed to implement the recommendations of that review committee?

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Mr RIPPER: I am advised that the committee was established by the previous Government. It had a budget of around \$500 000. We have brought it in at around \$250 000. If the member would like the full details of the cost, we will be only too happy to provide them, together with the information on the reductions in cost achieved by this Government.

Mr MARSHALL: I would like to know things such as the remuneration for the various people on the committee.

Mr RIPPER: We will provide that as supplementary information.

The CHAIRMAN: The Deputy Premier will provide, as supplementary information, the cost of that committee.

[Supplementary Information No A11]

Mr MARSHALL: It has been suggested that a review be implemented straightaway. The suggested make-up of that committee has received detrimental coverage in the Press. It was recommended that two members of the Western Australian Turf Club but only one member from each of the Western Australian Trotting Association and the Western Australian Greyhound Racing Authority should be on the committee. Has that situation been considered in an endeavour to provide a more harmonious arrangement for the entire racing industry?

Mr RIPPER: What would the member consider to be a more harmonious arrangement?

Mr MARSHALL: The other codes feel that they are not getting the opportunity to provide the same amount of input as the galloping industry. We must look at the overall picture and ask why only that code will have two members.

Mr RIPPER: The member is probably asking the wrong member. I am the member for Belmont. It has often been pointed out that the galloping industry generates a significantly higher proportion of the Totalisator Agency Board revenue than does the trotting industry. That is the problem with asking for a more harmonious committee. People will argue for trotting to be given equal representation on the committee, and others will argue that the make-up should be based on the respective contributions of the industry to the revenue generated by the TAB. The minister has tried to achieve the best balance, taking into account all the different considerations.

Mr MARSHALL: With that in mind, I refer to two recent press releases. One was by Wally Mitchell, a horse trainer in a barren stable, and the other was by Trevor Warwick, a trotting trainer in a barren stable. They are selling out. A bookmaker was this morning quoted as saying that the racing industry is being held together by only the paint on the horse stalls. How soon will this review be implemented?

Mr RIPPER: I understand that the intention is to have the board in operation by 1 August 2003.

The CHAIRMAN: That is very appropriate, given that that is the birthday for horses.

Mr McGOWAN: I refer to dot points four and five on page 1248 and the provisions relating to the Liquor Licensing Act. What are the rules for matters brought before the Liquor Licensing Court by hoteliers and applicants for licences or extended licences, and are there any proposals to change them? Can the decisions of that court be appealed to higher courts on questions of fact? Does the Government have any plans to allow applicants to appeal questions of fact determined by the Liquor Licensing Court?

Mr RIPPER: The director general will answer this.

Mr SARGEANT: Is the member referring to the judge of the Liquor Licensing Court or the Director of Liquor Licensing?

Mr McGOWAN: The licensing court.

Mr SARGEANT: Presently, only decisions on questions of law can be appealed to the Supreme Court. That is the extent of it. I have no policy directive to amend or change that.

Mr McGOWAN: Is the director saying that questions of fact are not appealable?

Mr SARGEANT: Only questions of law may be appealed to the Supreme Court.

Mr McGOWAN: Has the department received advice of any intention to amend that?

Mr SARGEANT: I have no policy development in regard to that in hand.

Mr D'ORAZIO: Dot point five on page 1247 refers to the expiration of the Totalisator Agency Board Betting (Modification of Operation) Act. It has been a bugbear of mine for a long time that freestanding TABs do not have to conform to the building requirements that apply to every other building structure, including the provision

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of facilities such as toilets. It might not seem a great issue. However, it has caused a massive problem in my electorate. The freestanding TAB in Malaga does not have toilet facilities. That has created a huge problem with people urinating outside the building, and other hassles. With the amount of money that has been generated from people betting at the TAB, we should at least have a capital allocation for the purpose of providing sufficient facilities -

The CHAIRMAN: Can you get to the question, please?

Mr D'ORAZIO: I am getting there. The principle is clear. Capital money should be allocated. The Act will be reviewed in 2002. The new agreement is in place. Any new TAB that comes on line should have toilet facilities available on site, as is the requirement for any other building.

The CHAIRMAN: I think the question is: will the Government make it a requirement?

Mr RIPPER: The capital demands on the State are many and various. I never thought I would hear of the problem of no toilets in TAB agencies.

Mr D'ORAZIO: It is a major problem.

Mr RIPPER: That is a matter for the TAB. The division being examined relates to the Department of Racing, Gaming and Liquor. However, I will refer the member's concerns to the Minister for Racing and Gaming, who has responsibility for the area.

Mr D'ORAZIO: It is a serious matter.

Mr RIPPER: I am advised that the TAB is installing toilet facilities in its new agencies.

Mr BIRNEY: I refer to dot point two on page 1247, which relates to the closure of the Kalgoorlie bush two-up operation. I am aware that the owners of the Kalgoorlie bush two-up operation had a licence to conduct two-up at the present location. I am also aware that they have applied to use that licence in other places. Could the Deputy Premier give me an update on what is happening with the licence for the bush two-up operation?

Mr RIPPER: The director general advises me that he is not aware of any other application by the operators of the Kalgoorlie bush two-up operation. He might be able to make more specific comments.

Mr BIRNEY: The licensees requested the use of the back of Sylvester's Nightclub or a local hall. There was a fair bit of toing-and-froing some time ago, but the issue seems to have gone away. What is happening with the approval to use that licence?

[4.40 pm]

Mr SARGEANT: A licence has not been issued for the conduct of the bush two-up in Kalgoorlie, and no formal application to relocate has been received from either of the two parties involved. As the member would be aware, there is a difference of opinion between those two parties as to where it should be relocated. I consider this matter to be significant because bush two-up is one of two organisations that can operate betting for private gain in Western Australia, the other being the Burswood Resort Casino. The fact that it is closed is a significant change in the Western Australian gambling environment.

Mr BIRNEY: Albeit that licence still remains current.

Mr SARGEANT: There is no licence.

Mr BIRNEY: So the bush two-up cannot be reopened?

Mr SARGEANT: It is a matter for the Gaming Commission to determine whether it wants to reopen it and under what terms and conditions. It was a grandfather clause.

Mr BIRNEY: I refer to page 1250 and the outcome to promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation. The solitary key effectiveness indicator is the percentage of applications granted that comply with statutory requirements. In 2001-02 only 98 per cent of applications granted complied with statutory requirements. How is an application granted if it does not comply with statutory requirements? Could the minister indicate what sort of applications these are and whether the situation has now been rectified?

Mr SARGEANT: Sometimes errors can occur with these matters. It may be that an occasional licence for a particular function is issued to which the wrong conditions have been applied. It may be that approval was not obtained from the appropriate persons within the organisation. One example occurred on St Patrick's Day when a junior officer approved an application for a trading permit to go to 1.00 am on a Sunday, which was contrary to the director's policy. Clerical errors do get through the process. In the office, people with certain levels of

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delegation process the applications. We process in excess of 4 500 applications a year and they are delegated down to level 2 officers. Sometimes they simply make mistakes, but we do a sampling process to check on them.

Mr RIPPER: I regret that the agency has been only 98 per cent perfect in the past year. However, I confirm to the House that the target is 100 per cent perfection.

Mr BIRNEY: I am pleased to hear that. How many applications did not comply with statutory requirements during that year?

Mr RIPPER: I understand that there is a sampling process for the development of this key effectiveness indicator. I do not think the member would want us to reprocess 4 500 applications. However, I suppose that two per cent of 4 500 applications represents about 90 applications.

Mr MARSHALL: Page 1248 deals with significant issues and trends and the setting up of a research project into problem gambling issues. What types of gambling issues have been identified; has the research project and the national secretariat been set up; how many people have been involved in the research; and what is the success rate of curing these gambling problems?

Mr RIPPER: The Ministerial Council on Gambling is a commonwealth initiative and the details are not yet finalised. Apparently, the secretariat has been established in Victoria but until further work is done at a national level it is not possible to provide more information.

Mr MARSHALL: Will the minister identify the problems with gambling that are to be investigated? I would be interested to get that report.

Under the major achievements for 2001-02 on page 1251, dot point seven refers to the identification of the types of services that people with gambling problems approach for assistance. What are these types of services?

Mr RIPPER: With regard to the dot point at the top of page 1248 and the Ministerial Council on Gambling, there is no point in promising further supplementary information by the closing date because it will not be available. I suggest that, if the member for Dawesville is interested in this issue, he put questions on the notice paper at a later stage. It may take some time before there is any development on which to report.

Mr MARSHALL: I accept that.

Mr RIPPER: With regard to the member's question regarding page 1251, I am advised that two types of services have been offered; a help line and face-to-face counselling. However, what has become apparent is that people with gambling problems do not necessarily use those services and instead go to financial counselling organisations. I am not certain how the agency proposes to address this information and I ask the director to make further comments.

Mr SARGEANT: This particular activity is funded by the problem gambling support services committee, which in turn is funded by the various participants in the gambling market; that is, the Burswood Casino, the Totalisator Agency Board and the Lotteries Commission. The committee is proposing to advertise assistance to a number of groups. However, it wants to let the people who may have a problem with gambling know that services are available. Many financial counsellors are not aware that these counselling services are available. We want to increase the awareness that these facilities are available when people want help and recognise that they have a problem.

Mr MARSHALL: That is why I asked the question. The service is there but it is not being promoted enough. I do not believe that it is out in the arena enough for people to know it is there. It should be promoted more.

Mr RIPPER: I am advised that the information is made available at gambling venues including the casino, TAB agencies and racetracks. However, sometimes one has to campaign very hard before people have a glimmer of an idea of what is available.

Mr MARLBOROUGH: I revert to the point made earlier by the member for Rockingham. Is the minister aware of any concerns being raised in the industry about judgments emanating from the present liquor court system under Judge Greaves? If so, will the minister indicate the nature of the grievances that seem to be growing in the industry in terms of the court's outcomes?

[4.50 pm]

Mr RIPPER: I imagine there will always be people who disagree with the decisions of a judge. A doctrine called the separation of powers states that judges have one role and politicians another. Politicians should not seek to influence judges or correct their decisions. We should be careful about the degree of criticism or

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controversy we level at judges' decisions. If people have a problem with the decisions being made by the court to which the member for Peel referred, we have only two alternatives. Firstly, we can change the law that the judge is interpreting; indeed, that is the responsibility of Parliament. Secondly, if the problem does not exist with the law but with a particular judge, the judge can be removed on a motion of both Houses of Parliament. This procedure has been rarely used. I recall it being considered in an Australian jurisdiction once only, and that was when a judge in New South Wales was not submitting judgments.

Mr MARLBOROUGH: I did not specifically ask for that information; however, both suggestions are worth pursuing. Will the minister tell the committee if any complaints have been made about the court to which I referred, and its proceedings? Will the minister detail the nature of such grievances? The truth of the matter is that in my electorate at least one business has significant investments in the liquor industry, and it is being closed down as a result of the court's decision. The outlet to which I refer has been in my electorate for 25 years. It has a massive capital investment and employs many people, and for all intents and purposes it is now on its knees as a result of the court's decision. After talking to people in the industry, it is my understanding that a number of problems exist in this area. Is the minister aware of such problems? Are there concerns about the judgments of the court? If so, how many concerns have been brought to the department's attention?

Mr RIPPER: I am not the Minister for Racing and Gaming. I am advised that the minister has not sought advice with regard to any complaints. Presumably no letter of complaint has gone to the minister or been referred to the Department of Racing, Gaming and Liquor. It is impossible for me to say whether the minister has received complaints of another form. The member for Peel has put a complaint on the table, of which the department is now aware. If the Government believes that complaints are justified, the available options are to change the law or to remove the judge. As I stated earlier, removing a judge is rare in Australian jurisdictions.

The appropriation was recommended.