

Racing and Wagering Western Australia —

Ms M.M. Quirk, Chair.

Dr A.D. Buti, Minister for Racing and Gaming.

Mr I. Edwards, Chief Executive Officer.

Mrs C. Mills, Chief Racing Officer.

Mr M. Kavanagh, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: Members, we are dealing with Racing and Wagering and the Burswood Park Board. I have a preliminary statement while your advisers are coming in, minister. This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. Questions must relate to the operations and budget of the off-budget authority. I will allow as many questions as possible. Questions and answers should be short and to the point.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by close of business on Friday, 3 June 2022. If a minister suggests that a matter be put on notice, members should use the online questions on notice system.

I call the member for Roe.

Mr P.J. RUNDLE: Thank you. Firstly, I wish Charlotte the best in her new venture over in Victoria.

Dr A.D. BUTI: What line of the budget is that on?

Mr P.J. RUNDLE: I refer to page 303, part 4, and Racing and Wagering in Western Australia. My first question relates to the works in progress table and I refer to business systems and products. There is a significant reduction in funding for this line item from \$22.93 million to just \$200 000 in the 2023–24 out year, and then \$1.6 million in 2024–25. Can the minister explain the changes in this funding?

Dr A.D. BUTI: Yes. I will ask Mr Edwards to answer that.

Mr I. Edwards: Thank you, minister. The big number that happened in the past was largely around the build of some of our key wagering systems. Those are very big capital projects that are typically one-off in their nature and will not be repeated at that kind of scale. What is left in the out years is clearly some smaller business improvements, but not the build of a new system as such.

Mr P.J. RUNDLE: What were those bigger items in that originally large capital amount?

Dr A.D. BUTI: Mr Edwards.

Mr I. Edwards: The biggest amount within it was the build of our bet engine, which is the system that receives and processes all the bets through the TAB. We built that some years ago, and that would have been in the double figures—millions—so that would be by far the biggest single amount within that number.

Mr P.J. RUNDLE: Minister, I guess this leads on to the sale of the TAB, or I can deal with that in another question, if you like?

Dr A.D. BUTI: I do not think the member will find the TAB in a line item of this division.

Mr P.J. RUNDLE: All right. I refer to page 136 of the *Budget statements*, which states —

The Government recommenced the sale of the Western Australian TAB ... and ... is working closely with Racing and Wagering Western Australia to progress the transaction.

Can the minister update me on the progress of how that sale is going?

The CHAIR: Member, this is under Treasury, which is another division.

Mr P.J. RUNDLE: Yes.

Dr A.D. BUTI: Member, the Treasurer was asked this earlier today, from my understanding.

Mr P.J. RUNDLE: If that is the case, I will revert to page 303. But, chair, it does refer to —

The CHAIR: There is no point in canvassing my ruling. The fact that it refers to it another division does not give the member the capacity to ask questions in this division, as I understand it.

Mr P.J. RUNDLE: Yes. I guess my question was that —

The CHAIR: There is no point in asking it.

Dr A.D. BUTI: Go and listen to what the Treasurer responded to. The member will find the answer there.

[6.40 pm]

Mr P.J. RUNDLE: Okay. The *Budget statements* refer to the fact that Treasury is working closely with racing and wagering, but I will move back to page 303, part 4, and the works in progress table. The next line down is other works and has the estimated expenditure of \$14.5 million this year, which drops by 86 per cent to \$1.97 million in the 2024–25 out year. What does other works involve, and why is there a drop in funding of such significance?

Dr A.D. BUTI: Mr Edwards, would you like to answer that?

Mr I. Edwards: Sure, thank you. This line covers items similar to the wagering systems we discussed earlier. This line is specific to our racing systems, or racing developments projects, and so it is specific to the racing industry. Again, in the past, there were things in that line around the purchase of property or the building of racing systems. What is in there for the future is more upgrades to existing systems—for example, a single national system through which we administer the thoroughbred code, and any upgrades to that, or in relation to that, are contained within that line.

Mr P.J. RUNDLE: Minister, what I am seeing here in these line items is a drop off in expenditure. Considering that racing and wagering is working closely with the sale of the TAB, are these drop offs in the works and budget line items related to the sale of the TAB?

Dr A.D. BUTI: No.

Mr P.J. RUNDLE: That is a no?

Dr A.D. BUTI: Yes.

Mr P.J. RUNDLE: I refer to the third line item “Racing Systems Infrastructure and Minor Capital”. Once again, there is another significant drop in funding of 79 per cent from the estimate of this financial year of \$5.7 million to \$1.2 million in the forward estimates. Can the minister enlighten me as to what that one is all about?

Dr A.D. BUTI: Mr Edwards.

Mr I. Edwards: Thank you, minister. The \$1.2 million, which is in the out year, is really in relation to minor upgrades at owned facilities—for example, the Greyhounds as Pets facility or the Off the Track WA Estate, both of which we own. The \$3.1 million in the year 2022–23 is inclusive of a purchase of a second Greyhounds as Pets facility and the purchase of the existing one, which is currently leased. Therefore, the \$3.1 million is a little higher than what the \$1.2 million in the outer years is, which represents the improvements made to those sites.

Mr P.J. RUNDLE: Are there any works in that line item for the harness industry in relation to infrastructure and minor capital?

Dr A.D. BUTI: No.

Mr P.J. RUNDLE: There is nothing in there. Therefore, is that particular line item basically all focused around the Greyhounds as Pets program?

Dr A.D. BUTI: What the member has to understand is that this does not include funding that RWWA gives to the industry. There is funding for various parts of the industry; it is just not within the budget.

Mr P.J. RUNDLE: The next line down is “Wagering Systems and Products”. There is a significant drop off again in funding: \$43 million to \$5.7 million in the 2025–26 out year. Can the minister outline what the situation is there?

Dr A.D. BUTI: Before I answer it, I will say that the member’s line of questioning it is interesting. Because we have funding for a particular year—it might be for a particular reason—it does not mean the funding has to continue at that inflated level. However, to answer the member’s question, the \$5.1 million is for the development of wagering products to stay relevant for the wagering market, so that means it is for a specific purpose. It does not mean we have to keep it at that funding level forever. But, Mr Edwards, would you like to add to that?

Mr I. Edwards: I will add to that for further clarification perhaps. The \$5.1 million—in fact, that line for all the outer years—is typically people’s time, so it is for squads of teams who are working on developments to the TABtouch app, for example. It is capital investment, but it is effectively people’s time.

Mr P.J. RUNDLE: I refer to paragraph 1.3 on page 103. There are \$2.5 million for other works, including racing development projects, upgrades to the thoroughbred racing system and the racehorse welfare facility. Are those works completed or are they in progress? Can I have an update on those?

Dr A.D. BUTI: I will ask Mr Edwards.

Mr I. Edwards: Yes. There is a range of things in there, but they are typically in progress or planned rather than completed.

Mr P.J. RUNDLE: Is that money all about thoroughbreds, or is there any money for harness facilities or harness upgrades?

Dr A.D. BUTI: In regard to the Off the Track racehorse welfare facility, it is for harness and thoroughbreds.

Mr P.J. RUNDLE: Okay. Therefore, that money is for a combination of both.

Dr A.D. BUTI: Yes.

Mr P.J. RUNDLE: Are the horses that end up at the Off the Track WA Estate from right around the state—from our country racetracks, harness tracks, metropolitan tracks and the like?

Dr A.D. BUTI: Yes, indeed.

The CHAIR: That completes the examination of Racing and Wagering Western Australia. The last one we have is the Burswood Park Board.