

Ms Janine Freeman; Mr Mark McGowan; Mr Terry Redman; Mr Paul Papalia; Mrs Glenys Godfrey; Chairman;
Mr John McGrath; Mr Peter Watson; Mr Fran Logan

Division 75: Racing, Gaming and Liquor, \$77 164 000 —

Ms J.M. Freeman, Chairman.

Mr D.T. Redman, Minister for Regional Development representing the Minister for Racing and Gaming.

Mr B.A. Sargeant, Director General.

Mr T. Ng, Chief Financial Officer.

Mr B. Killigrew, Chief of Staff, Office of the Minister for Racing and Gaming.

[Witnesses introduced.]

The CHAIRMAN: Leader of the Opposition.

Mr M. McGOWAN: The fourth dot point on page 865 of the *Budget Statements* indicates that the cellar door subsidy scheme will be abolished from 1 July 2015, that a range of other states have abolished their subsidy schemes, and that government will save an amount of money by abolishing the subsidy scheme. This scheme allows a range of Western Australian wine producers to claim a rebate for the wine equalisation tax paid on cellar door sales and mail order sales that are conducted by wine producers at their licensed premises. I have met with representatives of the wine industry and they regard it as very important for promoting tourism and cellar door sales throughout our wine producing areas. I have a range of questions. Firstly, what consultation was undertaken with the industry before this important rebate was abolished, which other states have abolished the rebate, and has there been any analysis of what the impact of abolishing this rebate will be on employment at and the operations of these particular wineries?

Mr D.T. REDMAN: I thank the Leader of the Opposition for the question. I am obviously very aware of the decision taken by the Economic and Expenditure Reform Committee and, ultimately, cabinet around the state budget for this cellar door subsidy. It is a historical subsidy that has been in place for a range of reasons, and others in this place might be able to clarify that if that is what the Leader of the Opposition is seeking. Specifically, the number of wineries eligible for the subsidy was 20 out of approximately 540 wine producers in the state. That is a very small number of wineries. The impact of the decision is \$11 million over the forward estimates. I understand there was no direct consultation with industry on this issue; it was a decision taken by cabinet in the budget process.

[4.50 pm]

Mr M. McGOWAN: The minister acknowledges there was not consultation, which is what the industry said as well. Has any modelling been done on the estimated impact on employment in or viability of the affected businesses? How did the government come up with a saving of \$11 million, considering that the member for Vasse indicated the average rebate per winery was around \$90 000? If 20 wineries received the subsidy, that does not equal \$11 million. I understand there were 20 wineries, but those 20 wineries are responsible for about 87 per cent of wine production and smaller wineries receive rebates from another scheme. This impacts the bigger producers and bigger employers. What is the estimated impact of removing this subsidy and what modelling was done on employment in and viability of the affected businesses?

Mr D.T. REDMAN: I will make a couple of comments because I think it is worth putting this in perspective. As I said in my first response to the Leader of the Opposition's question, this subsidy applied to 20 out of approximately 540 wine producers. To be eligible for the subsidy, those organisations' wine sales had to be in excess of \$36 000 per week. We are talking about significantly large organisations with wine sales in excess of \$36 000 per week. The biggest quantum of subsidy was in the order of \$200 000. I think the Leader of the Opposition is trying to make the point that there will be a significant flow-through impact from the decision to take away a subsidy from only 20 out of 540 wine producers, which, even then, was only for businesses with sales in excess of \$36 000 per week, and that that will have a significant negative impact on the marketplace. I understand that no business wants to see a change to a government subsidy that it gets. I have a number of these businesses in my electorate. If the Leader of the Opposition is going to prosecute an argument around support —

Mr M. McGOWAN: Can I ask the question again?

Mr D.T. REDMAN: I understand the question. It is about assessment of the impact of this decision on the broader tourism marketplace.

Mr M. McGOWAN: Was any modelling done?

Mr D.T. REDMAN: The short answer is: there was no modelling done on this decision that impacts \$11 million over the forward estimates. Mr Sargeant will make a quick comment.

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Mr B.A. Sargeant: The forward estimates for the years 2015–16 to 2018–19 under the previous years would have amounted to a total of \$12 million available. Given that we have allowed \$750 000 in 2015–16 and \$250 000 in 2016–17, that gives a net clear \$11 million saving over the forward estimates. That is how we arrived at the \$11 million.

Mr M. McGOWAN: Just to clarify, no modelling was done. Has there been any consideration of the impact on employment in or viability of the businesses involved?

Mr D.T. REDMAN: I understand there has not, but I make the point that if the Leader of the Opposition is going to prosecute the argument that this decision will have significant negative impacts on a number of tourism destinations and the like in regional Western Australia, I think this government has a really good record of investment in these areas, including the south west wine region. The government supports significant events and tourism and even has deliberations around things such as the Busselton Regional Airport. I know that the member for Vasse, who is not in the chamber, has significant support for that.

Mr P. PAPALIA: Did the minister bother to find out how many of the 20 or so businesses operate restaurants in conjunction with their cellar door sales and that may be reliant on this rebate to offset payroll tax?

Mr D.T. REDMAN: This subsidy relates only to wine sales. The member is asking a question by extension about whether taking a subsidy relating to wine sales from organisations with wine sales in excess of \$36 000 a week will apply to their restaurant trade and all the other trade that impacts their business. The Leader of the Opposition is trying to tell me not to go into other arguments, but the member for Warnbro is prosecuting a case to say that we should consider all the other businesses conjoined with the wine industry and yet the member for Warnbro does not accept my response about our significant investments in these areas.

Mrs G.J. GODFREY: I refer to page 864 and ask for an explanation of the casino tax mentioned in the last paragraph. It appears that the tax goes from \$164.4 million to a minimum payment of \$9 million on agreement of a reduction in the tax rate from 11 per cent to eight per cent.

Mr D.T. REDMAN: I thank the member for Belmont for the question. As a member of the cabinet subcommittee and the Economic and Expenditure Reform Committee, I recall when we came to make a decision on this. I will get the director general to comment on this, but I think Hon Terry Waldron referred to the tax in Parliament when he was the minister responsible. It was about the competitiveness of Crown Perth's gambling trade in the international marketplace and how the state tax arrangement was making it uncompetitive. I will ask Barry Sargeant to clarify the basis for the decision and to outline the provisions in place that give some surety to Western Australian taxpayers that they are not missing out.

Mr B.A. Sargeant: The decision was taken to reduce the tax on the international commission business portion of Crown's business. Looking at the overall impact of the casino taxes last year, we expected to get net taxes of about \$62 million. We expect to get about \$63 million this financial year and a net situation of about \$64 million. The decision to reduce the tax has not undermined the state's taxation rights, because Crown gave the undertaking that it would take a minimum tax per year on its international commission business of over \$9 million. That has come into effect to sustain the amount of money flowing from Crown to the consolidated fund. As explained by the then minister Hon Terry Waldron, the decision was taken to ensure that Crown remained competitive in this business. Victoria was offering a tax rate of 10 per cent versus WA's combined rate of 12 per cent, New South Wales was also offering 10 per cent versus WA's 12 per cent and Singapore was offering about eight per cent, so the decision was taken to reduce the rate to eight per cent plus the levy that Crown pays to the Burswood Park Board. Crown is paying a net rate of government revenues of about nine per cent, but overall the cash flow into the state's consolidated fund has been maintained.

The CHAIRMAN: I did not make the Chair's statement, but it asks people to keep their questions and answers short and to the point. Can we ensure that we do that, otherwise I will start timing people.

Mr J.E. McGRATH: My question relates to the second dot point on page 865 about grants to Racing and Wagering Western Australia. It states that an additional \$3.3 million in VIP, or professional punters tax, rebate payments will be made to RWWA. Can the minister give some indication of the background to this? Is it similar to the casino tax; was it brought in to help the Western Australian TAB be more competitive?

[5.00 pm]

Mr D.T. REDMAN: I will hand over to Mr Sargeant.

Mr B.A. Sargeant: The decision was taken on a similar basis to that which applies to the international commission business of Crown Perth to enable Racing and Wagering Western Australia to offer rebates back to its high-end, high-yield punters. As a result of that, to date—I understand this is the case because I do not collect the taxes—that has generated an extra \$28 million, which was paid into the state taxation department. My

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department then administers the rebates back to Racing and Wagering Western Australia. They are not the rebates that are paid to the punters, but the rebates that are taxed—about \$23 million. So, there has been a net gain to the state of about \$5 million. RWWA has had a win and the state has had a win.

Mr P.B. WATSON: I refer to the same page. The member for South Perth more or less took my question. The next dot point down states —

- an additional \$16 million, over the five years ... in GST rebate payments will be made to RWWA. The increase ... reflects forecast increases in Betting Tax revenue collected by RWWA.

With all these things happening—increases and so forth—why would the government sell the TAB?

Mr D.T. REDMAN: I will ask Mr Sargeant to respond to the dot point and the reference that the member made to the third dot point on page 865, but, first, I make the point that no decision has been taken to sell the TAB. Clearly, it is part of a deliberative process that the government is working through to see whether it has merit. That is where we are at right now. I will ask Mr Sargeant to comment on the point the member is talking about.

Mr B.A. Sargeant: When the GST was introduced into Australia, one of the understandings was that the states would reduce taxes. One of the areas that we had to address was the taxes paid by gambling bodies. The TAB was one of them. Any GST that it paid on gambling was rebated back to it. Since then, Parliament has reduced the TAB's tax rate to a net of GST on the totalisator side of its business, but on its fixed odds betting and its sports betting, it still pays the gross tax rate and then it pays GST, and the state reimburses it that GST. This means that there is an expectation that the fixed odds betting and sports betting component of RWWA's business will be increasing; therefore, we have to increase the rebate back to Racing and Wagering Western Australia for the extra GST it pays.

Mr P.B. WATSON: Why have the Treasurer and the Premier come out and said that they will sell the TAB, putting the industry into disarray because it does not know what is going to happen? Any business needs to plan for its future. This puts RWWA into disarray because it is trying to plan its future. We have all this money going to RWWA to do all these sorts of things, but the perception that is put out into the community by this government is that the TAB will be sold. The minister keeps saying that the government is discussing it. Surely, if the government wants the racing industry to go ahead, it will come out and make a decision one way or another so it can go forward with what it does best.

Mr D.T. REDMAN: I can categorically state that no decision has been made by the government to sell the TAB. No revenue has been booked in the sale of assets in this budget that we are deliberating on now in reference to the sale of the TAB. The government is certainly, at the direction of the Treasurer and through the Treasury and cabinet processes, looking at a number of assets, of which the TAB is one, and doing the due diligence that needs to be done to see whether it is something that has merit to come before cabinet and make a decision on.

Mr P.B. WATSON: Does the minister support the sale of the TAB?

Mr D.T. REDMAN: I am supporting the deliberative process but reserve the right at a cabinet meeting to make a judgement.

Mr P.B. WATSON: The minister will just roll over and get his tummy tickled.

Mr D.T. REDMAN: The member is talking about rolling over a decision. I am assuming he is talking about the National Party's decision around this. A motion was taken to our conference in Margaret River last year. I want to read out the motion that the lay party of our party put to us and was supported. It stated —

That this State Convention of The Nationals WA does not support the potential sale of the State Owned TAB without a demonstrated and preserved regional benefit.

That was a decision taken by the lay party. Obviously, our parliamentary party is very close and supports the positions of our lay party. Hence, it is absolutely appropriate that we support a deliberative process to bring this back to cabinet.

Mr P. PAPALIA: I refer to the same dot point on page 865. The second sentence states —

The increase in rebate payments reflects forecast increases in Betting Tax revenue collected ...

I seek a little clarification from Mr Sargeant. That indicates that the forecasts are for growing revenues from the TAB. Is that not correct?

Mr B.A. Sargeant: I have to put it into context. I do not have the full figures for Racing and Wagering Western Australia. My department receives an appropriation from this Parliament to pay the rebates. RWWA has said that it expects the turnover on the fixed-odds betting and the sports betting component, on which we have to reimburse the GST, to rise. The international trends are such that the fixed-odds betting is growing and also

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sports betting, but the totalisator business is not necessarily growing. The overall net effect might be that there is no overall growth because one portion of its betting might be taking revenue from another portion of its betting.

Mr P. PAPALIA: Both are operated by the TAB.

Mr B.A. Sargeant: Yes, so all we are doing is basically moving money. Rather than bet on the tote, people will bet on the fixed odds. It does not mean a growth in revenue.

Mr P. PAPALIA: Ultimately, the forecast for the TAB is that its revenues are growing.

Mr B.A. Sargeant: No, I did not say that. I only look after the rebate side.

Mr P. PAPALIA: I am referring to the line in the budget —

Mr J.E. McGRATH: Do you want to give him the answer too?

Mr P. PAPALIA: No, I am just redirecting the question. The *Budget Statements* say that the increase in rebate payments reflects forecast increases in betting tax revenue. Betting tax revenue is forecast to grow in the future, according to the budget. Is that correct?

Mr B.A. Sargeant: No, only in relation to fixed-odds betting and sports betting, for which I have to process a rebate. I have just explained that I have an appropriation from Parliament to pay the rebate for GST back to Racing and Wagering Western Australia. Racing and Wagering Western Australia has asked for some more money. It expects the fixed-odds betting and the sports betting component of its business, for which I have to rebate the GST back to it, to grow. That does not mean that its overall revenue is growing, because its totalisator business could be declining but its fixed odds betting could be growing, so the overall effect is that there might not be growth at all. I cannot say either way. A totalisator bet is subject to GST, but we tax RWWA only at a net rate. It does not pay a gross rate when we rebate; it just pays the net tax to the state.

Mr P. PAPALIA: As far as the minister is concerned, that line just refers to the rebate.

Mr D.T. REDMAN: The point that Mr Sargeant is making is that we cannot infer what the member is trying to infer from that line.

Mr P. PAPALIA: I am just trying to illicit some sort of indication of the minister's knowledge of forecasts for TAB profitability. It is difficult when the minister is trying to constrain his evidence and the information in the budget to as little as possible. I understand it is embarrassing that it is growing every year, so the government does not want that in the budget.

Mr M. McGOWAN: I would like to follow on the questions of the member for Albany relating to page 865. I refer to the third dot point regarding the planned privatisation of the TAB. What sale price does the government expect to receive for the TAB? There have been three sale prices now. Considering the budget speech indicated the government's intention to sell the TAB, what is the expected sale price for the TAB and what analysis was conducted to inform this figure? What analysis has the government done on whether it will be beneficial to sell the TAB or keep it in proper guardianship? I will start with those two questions.

[5.10 pm]

Mr D.T. REDMAN: I thank the Leader of the Opposition for the question. The primary carriage of the potential sale of assets that have been identified in this budget is through Treasury and the asset sales task force. I highlight again that no decision has been made to sell the TAB. Indeed, I will give a little clarity to the Leader of the Opposition's question. It is very simplistic to put a price on an asset such as that. As the Leader of the Opposition well knows, about \$120 million is provided out of the TAB to the broader stakes that support racing in Western Australia. If we were to go to the market and put a constraint on a would-be purchaser that they had a responsibility to provide \$120 million to the marketplace, that would generate a particular sale price for the asset given that there was that responsibility for the purchaser to do that. Obviously, if we said that there was no constraint on the purchaser and that they could buy this organisation as is, that would generate a different price. I will not respond to the question with a price, but I think the Leader of the Opposition's question is somewhat ill-informed from the perspective of the parameters that may or may not be put on government if indeed a decision is made to sell the TAB.

Mr M. McGOWAN: Further to that, the Treasurer said in the budget speech —

... we will continue to pursue the sale of the TAB, ...

That is what the budget speech said. When the minister says that I cannot ask in the division on racing, gaming and liquor about the sale of the TAB, it strikes me that it is the main agency avoiding the responsibility for this issue. The minister will not reveal to us the amount that the government expects to receive, so I will go to the second

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question. What analysis was done of the benefits of public ownership versus private ownership, what were the outcomes of that analysis and did the analysis examine the impact of a privatised TAB on regional communities?

Mr D.T. REDMAN: I am not versed in the detail of the analysis. The Leader of the Opposition would understand that obviously there has been some preliminary analysis of all the potential asset sales that government is looking at, some of which have been made public and some not. The Premier indicated that the sale of the TAB will be considered in the second tranche of asset sales. The Treasurer also indicated that assets will be sold only when it is in the interests of Western Australian taxpayers. Any decision around the sale of the TAB not only has to come to cabinet, but also would need a legislative change, which means it would come into Parliament and everyone sitting around the table now would have the potential to make a call on that change. Of course, the previous and the current Minister for Racing and Gaming have stated publicly that they would support the sale of the asset only if it were in the best interests of the industry. I have already mentioned to the member for Albany my position as the Leader of the National Party in support of our party position.

Mr M. McGOWAN: The minister says that, but the budget speech states that the government is going to do it.

Mr D.T. REDMAN: It is not in the budget papers as an asset sale, which means that no decision has been made about a sale process.

Mr F.M. LOGAN: It is a statement to this house.

Mr M. McGOWAN: All I am asking is whether any analysis has been done of this sale.

Mr D.T. REDMAN: Does the Leader of the Opposition not think that the Treasurer has been open and transparent in signalling to the community and to the opposition which asset sales the government is looking at? Is that not a good thing?

Mr F.M. LOGAN: Was he lying to the house then?

Mr D.T. REDMAN: Is that not a good thing—being open and transparent?

Mr F.M. LOGAN: Just tell us whether he was lying to the house.

The CHAIRMAN: Members, we have to refer to a line in the budget paper, not anything else.

Mr M. McGOWAN: I have referred to that line in the budget paper: it is the third dot point on page 865.

The CHAIRMAN: Some members were referring to speeches made. Let us stay with the budget paper and the number, thank you.

Mr M. McGOWAN: Has any analysis been done of these things, and what was the outcome of that analysis? That is not an unfair question to ask.

Mr D.T. REDMAN: The asset sales task force, coming under the Economic and Expenditure Reform Committee, is where the deliberations and all the work that has been done on background information and analysis is happening in this matter. As I said, some preliminary analysis has been done and I have had some visibility of that.

Mr M. McGOWAN: And what does that say?

Mr D.T. REDMAN: It was only as a member of the EERC, which is obviously subject to cabinet privilege. I reiterate that no decision has been made. It may well get made but a number of things will happen before we will get to that point. However, it is wrong for the Leader of the Opposition to be asking how much the TAB is worth and how much we will sell it for.

Mr F.M. LOGAN: Further to that, this is like going around in circles. We are back to where we were with securitisation.

Mr D.T. REDMAN: It is the opposition's line of questioning that is going around in circles.

Mr F.M. LOGAN: No, it is the minister's behaviour as a minister.

Mr D.T. REDMAN: I have been absolutely open and transparent in response to the questions.

Mr F.M. LOGAN: This is the same issue as the issue in the question I put to the minister about the securitisation—the debt sell-off—of Keystart. When we eventually got down to tin tacks, the minister was advised that the work on the securitisation of that loan book had been undertaken by two organisations—KPMG and NAB—which were the advisers to the department and to Treasury. The Leader of the Opposition is asking the minister exactly the same thing. If he has people advising the department or Treasury on the sale of the TAB, just tell us.

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Mr D.T. REDMAN: The point I am making to the Leader of the Opposition is to his question about how much we will sell the TAB for. If we get to the point of making a decision, the response to his question will be premised on the parameters and constraints that we put around any sale, if indeed a sale will happen. I made the point that if we put constraints on any purchaser of an asset such as that, it will obviously limit the sale price up-front as distinct from putting it out into the open market. Therefore, the notion of asking what it is worth has too many variables.

Mr F.M. LOGAN: No, that is not what we said.

Mr M. McGOWAN: That was the last question.

Mr D.T. REDMAN: That was the question that came from the Leader of the Opposition.

The CHAIRMAN: Members, let the minister finish.

Mr D.T. REDMAN: In terms of some analysis, yes, of course there has been some preliminary analysis around a number of assets. The government has been open and the Treasurer has been open in his budget speech in saying that these are the assets that we are having a closer look at, and right now we are in the deliberative process of working through whether it is something we want to bring into cabinet for a decision. The director general informs me that no analysis has been taken from his department. Certainly, it is something on which I have had some visibility, but again that is subject to cabinet privilege.

Mr M. McGOWAN: Further to that, who has conducted the analysis?

Mr D.T. REDMAN: I am making the point that I am a member of the EERC. Of course there is some investigation of the nature of any asset that comes to the table and whether more analysis needs to be done to be able to make a decision. I think the Treasurer was very clear in making available to the public the fact that there are assets we are having a look at and that the TAB is one of those. We are currently in a process of doing some due diligence on that. Of course, all those things come together in a decision. Ultimately, if a decision is made, it will require legislative change.

Mr M. McGOWAN: I have a final question on this matter. In other words, currently in the racing estimates hearing we are asking the minister about the biggest issue in the racing industry, the sale of a publicly owned asset that has been in public hands since 1961, and he is unable to tell us what the government predicts it might receive for it; what if any analysis has been done; and, if an analysis has been done, who conducted that analysis. This is a parliamentary estimates hearing.

Mr D.T. REDMAN: Member, as with all the other assets —

Mr M. McGOWAN: The minister is just like the Premier. He is up there with the Premier in terms of answering questions. It is a complete waste of time.

Mr D.T. REDMAN: As with all the other assets that the government has signalled that it is looking at potentially selling, we have been open and transparent to the public in signalling what we are having a closer look at. No sale price has been booked in the budget. All of those asset sales, if the government is going to pursue that, will require a cabinet decision and in this case it will require a legislative change.

Mr P. PAPALIA: I refer to the table under the heading “Details of Administered Transactions” on page 868 and the line item “Subsidies to Gambling and Betting Agencies and Bookmakers.” What do those subsidies consist of?

Mr D.T. REDMAN: I defer to the director general.

Mr B.A. Sargeant: These subsidies are mainly the GST rebates to the various gambling bodies. There are also some amounts that are paid to Lotterywest for the GST it pays on its gambling, to bookmakers and racing clubs for the GST they pay, and of course the other item that was raised before, the GST that Racing and Wagering Western Australia pays on its fixed-odds betting.

[5.20 pm]

Mr P. PAPALIA: What are the projections based upon in the forward estimates? Why have the indicators dropped?

Mr B.A. Sargeant: Overall, the main one for there is in relation to some of the Crown rebates included in that amount, because we have now gone to net of GST on some items as well. The major proportion would be the Crown’s reduction, so that rather than they pay us tax and then we re-give it back to them, they just give me a net figure.

Mrs G.J. GODFREY: Minister, please refer to the third dot point under “Significant Issues Impacting the Agency” on page 862 of the *Budget Statements*. Liquor-restricted premises appear to be providing a valuable

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mechanism for individuals to reduce alcohol-related harm. Could the minister provide an update on these and other initiatives used to target antisocial behaviour in the community?

Mr D.T. REDMAN: I thank the member for Belmont very much. Obviously, it is something that is dear to all our hearts in terms of the sometimes unsavoury consumption of alcohol and the impact that has on the broader community. Again, I am going to pass to the director general to make some broad comments in response to the member's question.

Mr B.A. Sargeant: There are two ways in which the government can address some issues that people face in relation to the adverse impacts of alcohol. One is through the regulation. Certain areas can be declared as a restricted area, and that is done by regulation by the minister. It is largely Aboriginal communities, although it could actually even apply to any other community throughout Western Australia; it is not limited only to Aboriginal communities, but they are the ones that have mainly come forward. There are 17 in place at present. Also, based on the experience from the Northern Territory, amendments were made to the act to enable me as the Director of Liquor Licensing to declare premises as a restricted area. This is where the owners or occupiers approach, and have premises declared as a liquor-restricted area. Presently, there are 382 of those in place in Western Australia.

Mrs G.J. GODFREY: Was that 385?

Mr B.A. Sargeant: No, 382. Although it is an offence for a person to take alcohol into these areas, the biggest deterrent the police can use is that they can actually just dispose of the liquor straightaway. Most people find that that is the biggest deterrent of them all. We have done some whereby some are just single residences, particularly some of the Homeswest ones, whereby they have been conglomerates for four or five units as well and all the tenants and occupiers have agreed to restrict them.

Mr P.B. WATSON: Minister, I am referring to the bottom of page 868 of the *Budget Statements*, and the line item of "Grants to Individuals Problem Gambling" under the heading "Details of Administered Transactions". I notice it was \$760 000 in 2013–14 and went down to a standard \$500 000 in 2014–15, but the estimated actual for 2014–15 was \$1 174 000. Is there any reason for that rise?

Mr B.A. Sargeant: If the member looks at the column under 2014–15, there was a budget of \$500 000, but that was not expended so it was carried over to 2014–15. The normal amount is \$500 000 per year, so in effect we basically expended double the amount in one year because it was not expended initially in the 2014 year. It is the carryover from one year into the next.

Mr P.B. WATSON: Problem gambling is a real issue. Why was that \$500 000 not spent?

Mr B.A. Sargeant: Again, actually it is administered by the Department of Local Government and Communities. I am just the banker, so I cannot answer why. All I know is that it was not expended so we sought permission to carry it over from 2013–14 to 2014–15. I think I said 2014–15 incorrectly earlier. So we got permission to carry it over, but that is all I can explain. I cannot give the member the reasons for it.

Mr P.B. WATSON: Is the minister concerned that that money is not being used when gambling is a big issue in our community?

Mr D.T. REDMAN: I do not know the reasoning for the carryover, but I can only appreciate that the end of the financial year is the line in the sand from when one dollar gets spent to when the next might get spent. That means that if money is being shifted, as it often does, from one year to the next, that does not necessarily mean it is a withdrawal of resources spent in the areas concerned.

Mr P.B. WATSON: No, I am not saying that; I am just asking whether the minister is concerned that it has not been used if it is a facility being provided by the government for problem gamblers.

Mr D.T. REDMAN: From what I know now, I do not have any reason to be concerned because I do not have enough information to clarify why that has not been spent in one particular year but it has been carried over to the next.

Mr P.B. WATSON: Does the minister think an allocation of \$500 000 a year is enough for people with problem gambling?

Mr D.T. REDMAN: The member is asking the opinion of someone who is currently not the minister responsible for this area, but I am, as we all are, concerned about problem gambling, and the social consequences of that and alcohol. I think all governments, quite rightly, need to ensure that they put appropriate resources to support those issues.

Mr M. McGOWAN: My question relates to page 865 of the *Budget Statements* and the grants to Racing and Wagering Western Australia. Has any of that money been used —

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Mr D.T. REDMAN: Leader of the Opposition, where specifically, please?

Mr M. McGOWAN: It is the third dot point down. Has any of that money been used and has any work been done on planning for a new racing facility to replace Ascot and Belmont; and, if so, where would such a facility be constructed, and what would the budget for such a facility be expected to be?

Mr D.T. REDMAN: The third dot point is not a capital works item, from what I understand. Barry Sargeant highlighted a little while ago that it relates to GST rebates and fixed-odds GST rebates, Leader of the Opposition.

Mr M. McGOWAN: Where is the capital?

Mr D.T. REDMAN: We do not have capital. This will come up in RWWA.

Mr M. McGOWAN: Maybe I will just clarify. Has this agency done any work in respect of that issue?

Mr D.T. REDMAN: No.

Mr M. McGOWAN: Okay.

Mr P. PAPALIA: I refer to the second dot point under “Significant Issues Impacting the Agency” on page 862 of the *Budget Statements* that reads —

Implementing the Government’s response to the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts by progressing through the Parliament amendments to the *Racing and Wagering Western Australia Act 2003*, together with amendments ...

What is the government’s response, and what action has been taken to progress through Parliament amendments to those acts?

Mr D.T. REDMAN: I thank the member for Warnbro for the question. I am advised that government tabled its response back in February 2011, and we are currently in the process of drafting the bill.

Mr P. PAPALIA: The government is in the process of drafting a bill four years later to enact the response tabled in 2011. Did that response incorporate or acknowledge the finding of the inquiry that said that there is no long-term benefit for the industry in Western Australia of privatisation of the TAB? It was finding 60.

Mr D.T. REDMAN: The member for Warnbro is asking me to make comment on what is in the government response. I am happy to table that, if that is appropriate.

The CHAIRMAN: There is no tabling.

Mr D.T. REDMAN: If we cannot table anything, I am happy to give the member for Warnbro a copy, Mr Chairman, of that response. The member for Warnbro should not refer to it now because we do not have a copy to read.

Mr P. PAPALIA: The minister has the experts sitting next to him. Did it refer to the sale of the TAB?

Mr D.T. REDMAN: No; I cannot imagine so in 2011.

Mr P. PAPALIA: So, it ignored a key finding of the inquiry, which was —

Mr J.E. McGRATH: It was not the key finding.

Mr P. PAPALIA: It was a key finding. What else would the industry be caring about?

The appropriation was recommended.

[5.30 pm]