

CROWN PERTH — INTERNATIONAL COMMISSION BUSINESS TAX

**1009. Mr M.P. MURRAY to the Minister for Racing and Gaming:**

I also sympathise, minister, with your problems within your family.

I refer to the Crown Perth-funded trip to Macau last year by the director general of Racing and Gaming, Barry Sargeant, and reports today that Crown Perth will be given a tax break when ordinary Western Australians are being asked to pay more. Did the director general exclude himself from all discussions and decision-making processes that led to the tax break for Crown Perth and; if not, why not?

**Mr T.K. WALDRON replied:**

I thank the member for his question. Member, it was Terry Redman's brother who passed away. I offer my sympathies as well. Being a cricketer, I feel sick to the stomach about the loss of Phil Hughes and my sympathy goes to his family.

I think this is a really good and sensible decision. Crown Perth approached the government more than two years ago, so for more than two years we have been looking at what it wants to do. I think the decision on the tax is sensible and a good outcome for the state. I want to explain it so that people understand. I made a statement about this this morning. I talk to the director general on a range of issues and the casino comes under his department, so I talked to the director general about it, but the decision is made by the government. The international commission business tax is, as the member knows, highly volatile. It is a low-margin business and has had a lot of competition. The current tax rate is 11 per cent. I make the point that back in 2003 Labor reduced that rate from 15 per cent to 11 per cent. We are reducing the rate from 11 per cent to eight per cent—plus there is the Burswood Park levy.

The thing that we have done differently is made sure we considered this very, very carefully and introduced this tax cut for only the international commission business. We have put up tax rates on other parts of the business. This has a minimum guarantee of \$9.05 million a year or \$45.25 million over five years. That guarantee is equivalent to the highest ever annual return. We got that guarantee at the highest mark. Should Crown Perth do well and the incentive helps it, the state will benefit. This is a win for the state. We have a guarantee. If all the risk is with Crown Perth, I think it is a very good deal for the state and the taxpayers. Crown Perth has spent a lot of money and it generates a lot of business and jobs and provides economic value. Businesses are built off it and it is a good decision for the state.