

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Division 20: Racing, Gaming and Liquor, \$80 308 000 —

Ms K. Hodson-Thomas, Chairman.

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

Mr B.A. Sargeant, Director General.

Ms D. McLauchlin, Director, Governance and Strategy.

Mr T. Ng, Chief Finance Officer.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow. The estimates committee consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. This is the prime focus of the committee. While there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program or amount within the volumes; for example, members are free to pursue performance indicators that are included in the budget statements while there remains a clear link between the questions and the estimates. It is the intention of the chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The minister may agree to provide supplementary information to the committee rather than ask that questions be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by 6 June 2008 so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time frame, written advice is required for the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers, and, accordingly, I ask the minister to cooperate with those requirements.

I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the clerk's office. Only supplementary information that the minister agrees to provide will be sought by 6 June 2008.

Mr J.E. McGRATH: I refer to the third dot point on page 342 about the licensing conditions imposed on the Crossing Inn Hotel. Is the director general concerned that the ongoing ban on the sale of full-strength packaged liquor at the Crossing Inn Hotel, while appearing to have positive results in Fitzroy Crossing, is pushing the problem to other towns in the region?

Mr E.S. RIPPER: Since the director general, in his capacity as Director of Liquor Licensing, makes decisions independent of the government on these matters, I will ask him to respond.

Mr B. Sargeant: The evidence presented to me does not substantiate the view that there is a problem of people moving out of Fitzroy Crossing. There is evidence that some are moving out, but, other than anecdotal evidence by people who oppose the restriction, nothing has been presented to me to indicate there is a problem in this regard.

Mr J.E. McGRATH: Once again, through the Treasurer, given that response, does the director general have any intention of bringing in the same restriction in Halls Creek?

Mr B. Sargeant: I do not think I am in a position to answer that because, under the act, I am required to look at each case on its merits, and I have not addressed that issue. I looked at Fitzroy Crossing on its own merits, and I will announce my decision regarding other areas when I determine those matters. I am not in a position to respond.

Mr J.E. McGRATH: Does the director general believe that bans such as the one in Fitzroy Crossing will fix the problems associated with drinking and other issues in Aboriginal communities in the state's north west?

Mr B. Sargeant: There is a whole range of strategies to address the problems to do with the impact of liquor on communities in the north west. The consumption of liquor can impact on both Aboriginal and non-Aboriginal people. The evidence that comes out of the health department indicates that there are issues to do with the consumption of liquor, so it is only one of the strategies to address the problems. The evidence that was presented to me, particularly by the police and in turn by the executive director of public health, in relation to Fitzroy Crossing indicates that significant benefits arose from imposing that ban, otherwise we would not have continued the ban.

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Mr J.E. McGRATH: Has the director general been asked to look at the introduction of a permit system under which residents in towns like Fitzroy Crossing would have to apply for permission to purchase full-strength takeaway liquor?

Mr E.S. RIPPER: We have a racial discrimination act in this country, and any such measure would have to be consistent with that act. I will let the director general answer whether there has been any approach to him on that.

Mr J.E. McGRATH: I have a point of order, Madam Chairman. The question contained no mention of race; it was just a question of who could and could not purchase takeaway full-strength liquor. That could be anyone in the town; it would not necessarily be on the basis of race. It would be on the basis of how people behaved in the town and whether they had a history of violence against members of their family or members of the community.

The CHAIRMAN: I note the member's point of order, and the Treasurer's comment. There is no point of order.

Mr B. Sargeant: I meet regularly with the executive director of the Australian Hotels Association, Mr Bradley Woods. At one meeting, he indicated that the Australian Hotels Association was preparing a scoping paper, with the possibility of introducing an alcohol identification card. At that meeting, he asked how he could progress that through government; that is, get access to the other directors general. I offered to accept a submission from him and take it to the directors general group in relation to the Kimberley, and I have done that on his behalf.

Mr J.E. McGRATH: I am labouring this because it is a very important issue. Can the director general explain, to his knowledge, the extent of sly grogging in the state's regional and remote areas and how his department plans to tackle it?

Mr A.D. McRAE: That is not a further question; that is a different matter altogether.

Mr J.E. McGRATH: It is all part of this issue.

The CHAIRMAN: I will allow the question, but I point out that the member for South Perth has asked five questions, and I would like to provide other members with an opportunity. This is the last question for the member for South Perth.

Mr J.E. McGRATH: Thank you.

Mr E.S. RIPPER: This question can be answered insofar as it relates to the responsibilities of this portfolio. Other portfolios such as WA Police are involved. However, I would like to hear from the director general how this portfolio plays its part.

[2.10 pm]

Mr B. Sargeant: The Department of Racing, Gaming and Liquor is responsible for the administration of the Liquor Control Act but the Commissioner of Police is responsible for enforcing various aspects of it. I have approximately 20 inspectors available to me to undertake the department's functions across Western Australia. I rely on police officers throughout the state to enforce the day-to-day provisions of the act throughout Western Australia, particularly in remote Western Australia. We are aware of the problem of sly grogging and the access to liquor in some of the dry Aboriginal communities in Fitzroy Crossing and in other communities generally. Sly grogging is the illegal sale of alcohol whereby someone buys alcohol in quantities and sells it without a licence. That is illegal and there are severe penalties for engaging in that type of activity. The police, the Notre Dame report that was commissioned by the Executive Director of Public Health and the submissions from the licensee presented evidence to me that there had been an increase in sly grogging in Fitzroy Crossing. Unfortunately, some people in our community are prepared to feed off other people's misery by trying to make money from it. We were told that between 600 and 700 millilitres of warm chardonnay was sold for up to \$50. The police are very aware of it and they have taken action to prosecute people when they have been able to get evidence. However, it is not easy for the police to get evidence because many members of the community are not prepared to provide evidence. The government has committed \$150 000 to a sly-grogging awareness campaign to encourage people to do in those people who are involved in it. That program applies to not only the north west, but also Kalgoorlie. A proposed amendment to the Liquor Control Act will make it an offence for a person who one could argue, on reasonable grounds, was suspected of having purchased liquor for sale; therefore, even a licensee will be culpable of an offence. An extensive amount of material has been prepared and advertising programs have been put in place to address this issue. However, it is not an easy matter to address. Unfortunately, some people are prepared to take advantage of other people's weakness for liquor by making money from it.

Mr M.W. TRENORDEN: The Treasurer will be very surprised to hear what my question is about. I refer to Betfair—my favourite topic—which is mentioned on page 342 of the *Budget Statements*. I am aware that it will be a little while before we find out the total amount of the legal costs spent on the High Court case involving Betfair. I have never spoken to Betfair and have not had any feedback from it. In a recent ministerial statement,

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

the Attorney General said that the figure could be as high as \$500 000. I will be more than amazed if it is \$500 000. I suspect that the full cost has not been fully realised. Will the Treasurer tell us to the last dollar what is the full cost of taking Betfair to the High Court? That is my first question, but I have a range of questions to ask on this matter. Do we know what the full cost is?

Mr E.S. RIPPER: It is not possible for me to advise the member of the cost of the legal action because I understand that, in the first instance, the matter is the responsibility of the Attorney General, and therefore questions like this need to be directed to him. In the second instance, I do not think that the High Court has made all its orders yet. Therefore, it is not possible, on the information I have, for the Attorney General to provide that answer just yet. In due course, that information will be, and should be, made available to Parliament.

Mr M.W. TRENORDEN: I am not trying to get smart. This question relates to a line item in this budget on page 342. It is fair for me to ask that question under this portfolio. As a follow-up question, regardless of what the amount will be, who will pay it? Clearly, it will cost more than \$500 000.

Mr E.S. RIPPER: I am advised that because it involves government legislation and the government was a party to the case, it will be paid for by the government.

Mr M.W. TRENORDEN: That is fine by me. I am happy with that answer because there was some speculation earlier that the bill might have to be paid from the racing budget. The difficulty with the estimates hearings is that the Treasurer is not the minister involved. Was legal advice given to the Minister for Racing and Gaming that the legislation was defensible?

Mr E.S. RIPPER: Legislation goes through a process before it is approved by cabinet. One of the things that happens is that cabinet is advised of the comments the State Solicitor makes on legislation. If the State Solicitor did not think certain legislation was constitutional, that comment would be made available and cabinet, I would think, would not go ahead with the legislation in the face of that advice. With regard to what legal advice the government has had through the course of this issue, it is not usually the practice—as the member is aware—for governments to release legal advice. I can tell the member that, as a matter of cabinet practice, comment from the State Solicitor's Office is received routinely before legislation proceeds.

Mr M.W. TRENORDEN: Even the worst bush lawyer in Australia—me—knew that the government could not win that case. I wonder why that matter was pursued.

Mr E.S. RIPPER: That might have been the member's opinion beforehand, and it has been borne out by the High Court decision. However, the government would not knowingly seek to present legislation to Parliament that was unconstitutional. That is not the first time that state government legislation has been found to be unconstitutional by the High Court. Richard Court's traditional rights and use legislation—his native title legislation—was found to be unconstitutional by the High Court in a 7-0 decision. The then government's taxation measures on alcohol and tobacco were also found by the High Court to be contrary to the constitution.

Mr A.D. McRAE: Fuel.

Mr E.S. RIPPER: Equally, the same decision was made with regard to the state government's fuel tax. Unfortunately, it does happen from time to time.

Mr M.W. TRENORDEN: I have a question on notice that I do not expect to be answered because I asked it more than a month ago. Can the Treasurer guarantee that I will be advised of the figure once it is known?

Mr E.S. RIPPER: I will refer the matter to the Attorney General. I do not think I can provide that information as supplementary information because I might not be able to meet that time line commitment.

Mr M.W. TRENORDEN: I am saying that I put a question on notice more than a month ago. I could be jumping up and down about that, but I am being realistic. I knew that I would not get an answer within that time frame. I am trying to be reasonable and ask that I be advised of the amount when it is known.

Mr E.S. RIPPER: We will pass on the member's request to the Attorney General. I repeat the statement I made earlier: when this information is made available, it should be made available to Parliament.

Mr A.D. McRAE: I refer to the third dot point on page 342 of the *Budget Statements*. My question relates to the questions asked by the member for South Perth. In addition to the conditions that have been imposed, has the director general set some public key objectives for that policy? Will any particular performance measures determine whether it is progressing in the way it was designed to?

Mr E.S. RIPPER: I think that is a very good question. I ask the director general to answer it.

Mr J.E. McGRATH: You probably wrote it.

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Mr B. Sargeant: In the decision, I indicated that I would review the matter again after 12 months. Although I did not put that in the wording in the decision, I will be looking at the information that was supplied relating to incarcerations and the information provided by the police and the Department of Health. That is the guide I have to work with. Rather than working on a six-month period, I am working on a minimum of a 12-month period.

[2.20 pm]

Mr E.S. RIPPER: I interpreted the member's question as going to whether there are any particular indicators of social wellbeing that the director general takes into account when making a decision.

Mr A.D. McRAE: I heard reference to rates of incarceration, but I imagine, given that this is a much broader socially directed policy, that there are a range of other indicators we might all be looking towards. I wonder whether those are all being gathered up by the director general in the course of this 12-month trial.

Mr B. Sargeant: I referred to the rate of incarceration, but a whole range of information is supplied by the Executive Director of Public Health about hospitalisations and the number of people who have presented after being injured. The police talk about the number of call-outs to domestic violence. Those sorts of indicators are guiding me in this regard. When I visited Fitzroy Crossing, one telling point was made to me by some members of the women's group, who were very articulate and presented an exceptionally good case. They made reference to the fact that since the ban was imposed in October, there had been no alcohol-related suicides, and no alcohol-related drownings in the area. To me, that was a telling piece of information. As it turned out, when I confirmed it with the police, it was not as effective as that in relation to the numbers, but the numbers were significantly lower. That, to me, is a very key performance indicator, if they are saying it about their community. I receive a lot of anecdotal evidence, from both sides of the argument. I have had information that the ban was a trigger for a number of people to give up alcohol. A number of people may have left their children for a while with their grandparents, but at least the grandparents were able to go and get help for the children, in the form of food vouchers. As one person said, at least those people who have severe alcohol problems have now been identified and the problem is not being pushed under the carpet. The school principal said that kids are turning up to school more and are being fed better. There are a whole host of indicators; it does not just come back to one whole number. In reference to the public interest, it is very difficult to say that it relates to that point alone. In relation to the number of deaths, the State Coroner's report was a very telling bit of information, and I was basically convinced that the ban should be extended.

Mr A.D. McRAE: That is precisely what I was keen to understand, and I thank the Treasurer and the director general for that explanation. I am already hearing, through that response, that the Department of Health, the Western Australia Police and the Department for Child Protection are either directly, through reporting, or anecdotally, through the director general's own investigations, producing either measured outcomes or reported social outcomes in the town. Can I also ask the Treasurer—the director general might be able to provide this information—whether there is any evidence of substance diversion? In other words, if an alcohol ban is put in place, the potential for sly grogging, as we have heard from other members, is one illegal way of getting around the ban on high alcohol content. Are other substances being trafficked as a result of this ban?

Mr E.S. RIPPER: I imagine that possibility must be considered—whether marijuana, amphetamines or kava replace alcohol abuse to some extent. The director general would have to answer about whether he has received any arguments or information relevant to that matter.

Mr B. Sargeant: I did not receive any direct evidence to indicate that, but it was always raised as an issue that could arise. I am very dependent on the Executive Director of Public Health and the police giving me the information. Frankly, I would rather not have to make the decision. It is quite easy for people to be critical of it, but somebody has to make it. When I first went to Fitzroy Crossing after they first wrote to me, following the initial meeting in which the group had come together for the first time I said that I would give them six weeks to come up with a solution themselves. I said that I would far rather have the community do it than have to do it myself. I said that if I could go back to my St Georges Terrace office and sit in the air conditioning and make a decision, I would do so. As it turned out, I had to make a decision. I think it is in the public interest. The decision is on the website. I can arrange for the member to receive a copy of the decision, which lists the detailed submissions from the various parties. In fairness to the licensees, they have been very cooperative and put their case very well. On balance, however, I believe it is in the public interest to maintain that restriction on the sale of full-strength liquor. They had the right to appeal my decision to the commission if they were unhappy with it, subject to whether I reviewed it and had made the right decision based on the facts before me.

Mr A.D. McRAE: I invite the Treasurer to comment on this, but it is clear in my mind that this process has been extremely open. The discussion we have had today about the kinds of things the director general is taking into account, based on the questions asked by both the member for South Perth and me, shows that this matter has

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

been the subject of a very local discussion and debate, as well as being open for study by the rest of the Western Australian community. That in itself is a very healthy process.

Mr E.S. RIPPER: My observation of the process is that it has involved independent decision making based on an assessment of the public interest. The outcomes of the six-month trial have been quite impressive on the basis of the limited information that I have accessed.

Mr J.E. McGRATH: I refer to the third dot point on page 342. I ask the Treasurer whether, given the results obtained in Fitzroy Crossing since the ban has been in place, given the fact that some local governments in other towns in the north west have come out in opposition to such a ban in their own towns, and given the fact that some people are saying that the problem is being moved to some of those other towns, the government will carry out further studies into the whole situation of north west alcohol problems.

Mr E.S. RIPPER: The director general, in his capacity as Director of Liquor Licensing, would have to consider each town on a case-by-case basis. As to what discussion occurs within the government, there is a directors general group dealing with Kimberley issues, representing agencies such as the Department of Health, which has its own alcohol and drug advisory people; and the police. The Director General of Racing, Gaming and Liquor is part of that directors general group, which discusses Kimberley-wide issues, including alcohol management. It also deals with housing and other issues.

[2.30 pm]

Mr M.W. TRENORDEN: I have a great interest in the second dot point under “Significant Issues and Trends” at page 341. It states that on 1 August 2007 the state’s first small bar licence was issued to Essex Street Pty Ltd. The media has not taken up this issue to the extent that members anticipated. Would the Treasurer inform the committee of the government’s expectation of that program, which was the subject of the 2007 legislation, and whether there needs to be further tweaking of the legislation or regulations to help that progress?

Mr E.S. RIPPER: Since the reforms came into operation on 7 May 2007, the department has received 15 applications for small bars to operate throughout metropolitan regional Western Australia. Eleven licences have been granted in the Perth CBD, Fremantle, Subiaco, Leederville, West Perth, Yallingup and Busselton. For the information of members—for their own activities—those small bar licences were for Alda’s Caffè E Panini, Etro Terrace, Canton Bar and 1907 Restaurant and Bar in Perth; Essex Street Organic Wine Bar and Cafe in Fremantle; Mrs Brown Bar in North Fremantle; Pure Cafe in Subiaco; Double Lucky in Leederville; Amphoras Bar in West Perth; Equinox Cafe in Busselton; and Bouzy Bar in Yallingup. In addition, as at 30 April 2008, 122 restaurants were permitted to sell liquor without a meal, with a further 29 applications being processed. The director general tells me that he is happy with the progress of the implementation of these measures. I might add that there has been some debate about these issues. Another measure in the budget that is outside this portfolio is a government-wide initiative to give us better gatekeeping with regard to proposals for new regulations. A review process for those regulations will be implemented to determine whether the costs of imposing those regulations on business outweigh or do not outweigh the benefits proposed to be achieved.

Mr M.W. TRENORDEN: It is overdue, Treasurer. It is a good idea.

Mr E.S. RIPPER: Although the department might be happy with the progress of the regulations, in due course many areas of government will be subject to this new gatekeeping initiative.

Mr M.W. TRENORDEN: The Treasurer said that four licences were knocked back. Can he advise, generally, why they were rejected?

Mr E.S. RIPPER: I will clarify that: four applications are still in progress.

Mr M.W. TRENORDEN: Therefore, no applications have been rejected.

Mr E.S. RIPPER: The advice to me is that no-one’s application has been rejected.

Mr M.P. MURRAY: I refer to the sixth dot point under “Major Achievements for 2007-08” at page 345, which refers to the government’s \$25 million racing infrastructure grants program. The Department of Racing, Gaming and Liquor is responsible for the payment of grants. Would the Treasurer outline the current status of the grants program and how it has benefited country racing?

Mr E.S. RIPPER: I have not been to the races in the member’s electorate, but I have been to the races in Albany with the Minister for Racing and Gaming. The government had a \$20 million regional racecourse infrastructure grants program that was targeted at improving racecourse facilities in Geraldton, Northam, Kalgoorlie, Peel, Pinjarra, Bunbury and Albany. That program was subsequently extended to a three-year program, with \$25 million available to all country racing venues, following an additional contribution of \$5 million from Racing and Wagering Western Australia. To date, grants totalling \$20.5 million have been allocated to thoroughbred, harness and greyhound racing clubs in regional WA. For the current year, grants totalling

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

\$2.21 million have been allocated. As at the most recent count, \$3.7 million has been paid out for works undertaken. Grants allocated in previous years have been expended in the current year. Of the primary regional venues that were expected to benefit from the original \$20 million program, only the Pinjarra Trotting Club is yet to be allocated a major grant. I hope it is not in the member for Collie-Wellington's electorate.

Mr M.P. MURRAY: No, it is just outside. I have been there to lose a dollar or two.

Mr E.S. RIPPER: I understand that RWWA is working with the club to finalise its plans. The general view is that the grants program has been an outstanding success. I have seen the appreciation of local authorities responsible for these racecourses. I had the good fortune to hand over a cheque for one of these grants in Geraldton. The program has been very well received.

The CHAIRMAN: I understand that other members have follow-up questions on this subject, but I will give the member for Maylands the call.

Dr J.M. EDWARDS: I come back to the small bar licence issue at page 341 of the budget papers. I took up an issue with the minister some time ago on behalf of a cafe in my electorate. I understand they were very happy with what was resolved. I assumed that it had got a small bar licence, but it is not on the list the Treasurer read out. Could people who applied for and thought they should get a small bar licence serve alcohol without a meal by other means? I presume that my constituent's cafe is on list of restaurants doing that. Would the Treasurer comment on the success of that program?

Mr E.S. RIPPER: I will have to pass that question to the director general. I suppose it is possible that the cafe that wanted a small bar licence might have been able to take advantage of the restaurant rules.

Mr B. Sargeant: Sometimes some of the cafes might exceed the 120-person limit required for a small bar licence. The initial draft bill had the ability to increase that number. However, the Parliament, in its wisdom, sought to restrict it to 120 and there is no way that number can be increased by regulation. Some cafes might have exceeded that number. Such a venue had a choice either to apply for a tavern licence, with a restriction that it could not sell packaged liquor, or, as a restaurant, apply for a permit to sell liquor without a meal to up to 100 per cent of its area. That would have meant some restriction on its ability to sell liquor when the kitchen was not operating.

Dr J.M. EDWARDS: I think they must have done that.

Mr B. Sargeant: It is interesting that before the government proposed a small bar licence category, a number of people were inclined not to apply for a tavern licence for a small number. Since the small bar licence category has been included in the legislation, a number of people catering for fewer than 120 people have applied for a tavern licence. There is one in Cottesloe that holds fewer than 80 people. Prior to the legislation being amended, they were saying they did not want a tavern licence. People have been encouraged to look at innovative ways to present their product through considering the range of liquor licences available, ranging from a full tavern licence to a small bar or restaurant.

Mr J.E. McGRATH: I return to the sixth dot point at page 345 under "Major Achievements For 2007-08". The government is getting its money mixed up with racing's money, and that should not surprise me. The Treasurer read in reply to the question from the member for Collie-Wellington that the government was distributing \$20 million, which we understand was an election promise. I understand that \$5 million was allocated to racing infrastructure by RWWA. I want to know how much of the \$20 million has been allocated and how much is still to be allocated. Also, what is the deadline for the allocation of that money? Will it conclude at the end of the term of this government, as opposed to the \$5 million from RWWA, which is distributing money that will go back into the racing industry?

[2.40 pm]

Mr E.S. RIPPER: It is my understanding that the government money—through the Department of Racing, Gaming and Liquor—has been allocated first, and since the grants have reached a total of \$20.5 million, we are now into RWWA's \$5 million. This grant program will continue until that money is expended.

Mr M.W. TRENORDEN: On the same topic, the York Trotting Club, which is based in my electorate, has been given some indication that it may be successful in obtaining a grant, but at the same time Racing and Wagering WA has indicated that the future of the York trotting and racing association is in doubt. The board will visit my electorate very shortly to establish whether the two racing clubs in the area will continue to exist, which is obviously of some concern to me. How does the process of the allocation of funds work? Does it result from an application from Racing and Wagering WA to the Department of Racing, Gaming and Liquor for those funds, or does the minister take direct application from clubs?

Mr E.S. RIPPER: The director general will answer that question

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Mr B. Sargeant: The allocation process is handled by Racing and Wagering Western Australia. Applications are made to Racing and Wagering Western Australia, which will consult with the minister on the allocation of those moneys. The prime focus comes from Racing and Wagering Western Australia as the body charged with looking after the future of racing in Western Australia, and the minister takes advice from that body.

Mr M.W. TRENORDEN: I have a supplementary question. In that case, what role will the agency and a future minister play in decisions about the survival of York racing and York trotting?

Mr E.S. RIPPER: These are decisions for Racing and Wagering Western Australia, but I will ask the director general to comment.

Mr M.W. TRENORDEN: That is the question I am asking: are these decisions totally within the parameters of Racing and Wagering Western Australia, or will a minister play some part?

Mr E.S. RIPPER: I have given the member a layperson's opinion, but I am not the actual minister for this portfolio, so I will ask the director general to provide more information.

Mr B. Sargeant: From my agency's point of view, I have no say in that matter. I am purely the conduit. The money was appropriated by Parliament to my department and the grants were paid out. Under the legislation, the minister has limited ability to direct Racing and Wagering Western Australia—it is a fairly independent body—but there is strong cooperation between the minister and Racing and Wagering Western Australia on a number of matters. The minister and the government of the day have some input into various approval processes involved in budgeting, but fundamentally I think the relationship to date has been an extremely good one, and the racing industry in Western Australia has been well served by ministers of the Crown and Racing and Wagering Western Australia board members.

Mr M.W. TRENORDEN: I agree. As the Treasurer and the director general are probably both aware, I was a strong supporter of the current process, and remain one. However, I am curious about some of the future functions. There is no question that funding has done regional racecourses a great deal of good, and—even sitting on the opposition side—the last two ministers have served regional WA well. I am not a critic; I am just trying to find out what the processes are likely to be for two clubs in my electorate.

Mr J.E. McGRATH: I refer to the outcomes and key effectiveness indicators on page 344 of the *Budget Statements*. The outcome is to promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation. Has the director general been approached by the Premier, any other member of Parliament or their staff or the Commissioner of Police regarding the push for midnight lockouts of licensed premises in Northbridge and other entertainment precincts?

Mr E.S. RIPPER: I will ask the director general to answer that question. He probably reads the paper and looks at media clippings, but I will ask him if he has any other comment to make on the issue.

Mr B. Sargeant: The only information I have gleaned is what has been available in the media. As a matter of fact, when the matter was raised in the media, I was overseas.

Mr J.E. McGRATH: I beg your pardon?

Mr B. Sargeant: I was overseas when the matter was raised —

Mr J.E. McGRATH: Half the luck!

Mr B. Sargeant: — so it was quite a surprise to me. No-one has approached me in my capacity as Director of Liquor Licensing.

Mr J.E. McGRATH: I have a further question. Is the Treasurer aware of whether the department has done any study of lockouts in other states; and, if so, does the director general have any opinion about whether lockouts have been effective in other states?

Mr E.S. RIPPER: I do not think we are here to get the opinions of public officers, but certainly we can answer the question about whether a study has been conducted and what the results of it were.

Mr B. Sargeant: We have not conducted a study, but we are aware of the implementation—particularly in the Gold Coast area in Queensland—of lockouts. It depends on who we talk to; if we talk to the police and my colleagues, the licensing people, it is a great success. If we talk to licensees, it is the end of the world.

The CHAIRMAN: Further questions, members?

Mr J.E. McGRATH: I refer to the second dot point on page 342 of the *Budget Statements*.

Mr A.D. McRAE: The member is going backwards.

Mr E.S. RIPPER: Not only on this occasion!

Mr J.E. McGRATH: That was very unkind, Treasurer.

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Mr E.S. RIPPER: It was. I apologise for that

Mr J.E. McGRATH: The Treasurer can withdraw that comment. Treasurer, given the time it took for the liquor reforms to be introduced, why has it taken so long for the provisions regarding confidential police information to come into operation?

Mr E.S. RIPPER: It is my understanding that laws governing restrictions on fortification of premises were challenged in the High Court. As there were some similarities between the provisions in the liquor legislation and the fortification laws, the department held off on implementation of the liquor provisions until the resolution of the High Court challenge. That was a High Court challenge in which the law was upheld. Now that it has been upheld, the department can go ahead and implement the somewhat similar provisions in its own legislation.

Mr J.E. McGRATH: I have a further question. Given the difficulty that the department has had to work under, is the Treasurer confident that prior to the introduction of that legislation the department has been able to keep out of the liquor and gaming and wagering industry those people whose applications might have been opposed by the police?

Mr E.S. RIPPER: The director general advises me that he has no concerns about that. Obviously it would have been better if we could have got access to this information, but he does not have concerns about any issues in the interim.

Mr M.W. TRENORDEN: The second last dot point on page 342 of the *Budget Statements* refers to the community interest in Texas Hold'Em poker, which has definitely become a bit of a phenomenon in recent times. Anyone who has Foxtel subscription television will know about many of the programs that Foxtel has run on that poker game. My understanding is that with the passage of legislation—probably it was the 1987 legislation—any individual who wanted to hold spontaneous poker games could do so; it was not actually against the law. Is there a need to regulate the game of poker?

[2.50 pm]

Mr E.S. RIPPER: I will ask the director general to answer this question.

Mr B. Sargeant: The member for Avon is correct. As long as nobody takes a house commission when individuals play poker —

Mr M.W. TRENORDEN: I would not play against the director general!

Mr B. Sargeant: — the game is not illegal. The issue with Texas Hold'Em poker is that the promoters are saying that people can participate in a game to ultimately win a prize. The fact that a prize is involved means that it comes under the definition of a “game”. We are in a position to provide permits for those games provided that the permit is issued to a sporting body or a charitable organisation. That has been the case since 1985. Like all developers of new ideas, those who have developed Texas Hold'Em have pushed the boundaries. There are two operators in Western Australia. One is very compliant, but the other is always testing us in this regard. We are able to manage it within the confines of the legislation. A number of games are played and a number of people enjoy participating in them. I discussed this issue with my eastern states colleagues during a recent conference. They told me that interest in the game is waning. I presume the same will happen in Western Australia. There will always be interest in the game, but the level will not be the same as the one that is currently being experienced.

Mr M.W. TRENORDEN: If the Northam Country Club applied to hold a Texas Hold'Em poker night, would it receive a licence?

Mr E.S. RIPPER: The process does not involve asking one's local member of Parliament to ask that question in Parliament! The director general will provide an answer.

Mr B. Sargeant: That is basically the requirement. We require the premises to be an approved gambling premises. Once the owners of a premises have received that approval, and provided that the application is made by a bona fide sporting or charitable body, they can seek a permit to run the game themselves or they can employ a professional operator to provide that service. That happens now.

Mr A.D. McRAE: The question asked by the member for Avon will have general interest across the community. I do not think that the peak in interest to which the director general referred has been reached in Western Australia. I have been told that people continue to organise a lot of informal games and that young people in particular view those games as social events. The director general said that a place that is an approved place for gambling that is run by a charitable or not-for-profit club can receive approval. However, the director general then said that those involved can run the game or engage a professional organiser to run the game, which implies a full profit house take; that is, the house—the professional organiser—takes part of the pool. That changes the nature of the game.

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Mr E.S. RIPPER: This is beyond my area of expertise. The director general will respond.

Mr M.W. TRENORDEN: I thought the Treasurer was a gambler!

Mr E.S. RIPPER: Texas Hold'Em poker is a mystery to me!

Mr B. Sargeant: Whether it is Texas Hold'Em poker or any other gambling product, if a group is conducting a gambling night there will be a hold that will benefit the charitable organisation. A number of licensed operators in Western Australia provide croupiers, table and chips on a fee basis; in other words, they are not permitted to take a percentage of the take. All gambling games are designed to benefit the house. That is the way things operate. If people want to participate in a game and nobody is charging a fee or taking a commission, it is not illegal for 10 or 20 people to play at a table with quite substantial amounts of money. We come into the operation when people play for a prize or when people start charging.

Mr A.D. McRAE: If a game were held informally among a group of people with no house, those people would not require a licence for an approved premises.

Mr B. Sargeant: That is correct. We do not become involved unless there is illegal activity.

The CHAIRMAN: In the interests of Hansard, I ask members to seek the call before asking a further question.

Mr J.E. McGRATH: The fifth dot point on page 342 of the *Budget Statements* deals with the Prostitution Amendment Bill 2007. The implementation of that legislation will add to the workload of the director general and his staff. Has the department received any applications for operators and approved managers in the sexual service industry?

Mr E.S. RIPPER: No.

Mr M.W. TRENORDEN: I refer to "Works In Progress" on page 357 of the *Budget Statements*, which deals with the Lotteries Commission.

The CHAIRMAN: Unfortunately, the member cannot ask a question about the Lotteries Commission because it is an off-budget item.

Mr M.W. TRENORDEN: Is it an off-budget item even though it has received an allocation?

The CHAIRMAN: Yes. Unfortunately, I am unable to allow the Treasurer to answer that question.

Mr M.W. TRENORDEN: Can I ask a question about the Western Australian Greyhound Racing Authority?

The CHAIRMAN: That is also an off-budget item.

Mr A.D. McRAE: Point of order, Madam Chair. Are you saying that division 20 finishes at page 353 —

The CHAIRMAN: Exactly.

Mr A.D. McRAE:— and that the specific trading enterprises that appear on pages 354 to 358 are off-budget items?

The CHAIRMAN: That is correct. Members must seek to have those off-budget items listed through the manager of government business before they are given an opportunity to ask questions about them.

Mr A.D. McRAE: That is a fantastic and orderly process.

Mr M.W. TRENORDEN: It is an obscure and obscene process.

The CHAIRMAN: Since I have been a member of this place that is how things have operated. Members must ask questions about specific items in division 20.

Mr J.E. McGRATH: The first dot point under "Major Initiatives For 2008-09" on page 345 of the *Budget Statements* states that the government will introduce a liquor control bill that will in part permit members of Western Australia Police to issue infringement notices to people who take liquor into prescribed licensed sports stadiums without the consent of the licensee. Does this mean that footy fans have been smuggling booze into Subiaco Oval? What has brought this about?

Mr E.S. RIPPER: The legislation will be introduced shortly. The matter has been the subject of representations from those involved in the running of Subiaco Oval. I cannot say whether the legislation will be introduced to head-off potential for trouble and whether there has already been trouble at the oval. I am advised by the director general that the people running Subiaco Oval made representations to the government about the issue.

[3.00 pm]

Mr M.W. TRENORDEN: Is the Treasurer saying that there will be a February election then? The Treasurer said that this legislation will be coming in shortly.

The CHAIRMAN: Can the member for Avon advise me of the link to the budget papers?

Mr M.W. TRENORDEN: It is on the front page.

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

Mr E.S. RIPPER: I suggest that the member for Avon go and slaughter a goat and check it out!

Mr J.E. McGRATH: Further to that, I understand that representation has been made by Subiaco Oval. I was under the impression that people were scanned and their bags were checked when they went to sporting venues. Has there been an incidence of people smuggling alcohol into the stadium?

Mr E.S. RIPPER: I will have the director general respond to the issue.

Mr B. Sargeant: I understand that the issue was raised particularly by the Subiaco licensee—that is, the one that has the contract for catering—with the support of the police. People are very ingenious in getting liquor in. A classic example is vodka, which looks like water. People can smuggle liquor in. Once liquor is taken into the premises, because there is a licence to consume liquor, the licensee cannot say to people that they cannot consume it because the licensee can sell liquor for consumption on the premises. This will enable the police to use their powers to confiscate liquor there and then and issue infringement notices. We have been advised to do it on a prescribed basis so that it does not happen across the board for every stadium. It will be on a case-by-case basis when particular issues are experienced in the enforcement of liquor licensing laws. As the member knows, licensees are responsible for the behaviour of people who consume liquor, and they are concerned about intoxication. They are happy to take responsibility for people who consume the liquor that they supply, but it is very hard to take responsibility for people who consume liquor that they have brought in.

Mr A.D. McRAE: It would be about at Eagles' games.

Mr M.W. TRENORDEN: The Dockers came up in the previous division. The third last dot point on page 342 states that the staged redevelopment of the main gaming floor of the Burswood Entertainment Complex through to 2010 will modernise and update the gaming floor in line with other resorts throughout Australia. There is some offering of lotto or lotto-type games in the eastern states through other gaming places. Is that on the cards in Western Australia whereby some form of lotto, keno or similar type of game is likely to be conducted by the casino?

Mr E.S. RIPPER: I am somewhat puzzled by the member's question. My understanding is that Burswood Casino offers keno.

Mr M.W. TRENORDEN: Sorry; to make it a bit clearer, Western Australian clubs are pushing for it. In Queensland a version of keno or lotto is beamed out to hotels and clubs. There has been a push by the Western Australian licensed clubs association to do exactly that. I have been invited to the casino in the past and I know that the issue of making that sort of activity available has been discussed. I wonder whether this statement indicates that those sorts of activities might be coming up.

[Mr P.B. Watson took the chair.]

Mr E.S. RIPPER: That statement is not meant to indicate anything like that. I am aware that there might be aspirations among some of those clubs and their representatives for such an arrangement, but the government is not considering such an arrangement and is giving no encouragement to that.

Mr M.W. TRENORDEN: This is not a heavy question. I refer to the first dot point of the major initiatives for 2008-09 listed on page 346. Can the Treasurer explain what the joint inspection regime with Western Australia Police for regional areas of Western Australia is about? It is something that I have not heard of.

Mr E.S. RIPPER: I will ask the director general to discuss that briefly.

Mr B. Sargeant: The police department has reorganised its enforcement area, and we have much closer cooperation with the police. As I said in answer to an earlier question, I have only 20 inspectors and those inspectors have to cover a whole range of activities, including liquor, gambling, lotto etc. We are very much in the hands of the police, so we do joint operations. The ones that come to mind are Perth Cup, Melbourne Cup and Bunbury Cup. Those major cup days are joint exercises, but we also do some covert exercises in relation to liquor licensing premises. The front-line response is always with the police, and we are there to support them.

Mr M.W. TRENORDEN: I presume from that answer that there would be better coordination of that activity than there has been in the past. As the director general knows, I have had calls from people from the Dowerin field days and those sorts of organisations, because sometimes the police do not fully understand what is required.

Mr B. Sargeant: I think that coordination with the police has improved with that central coordination, whereas previously we had drug and alcohol officers located throughout the state and it was not as easy to coordinate them. If a particular club has a problem, it would be better for that club to come back directly to us or go to the

Chairman; Mr John McGrath; Mr Eric Ripper; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray; Dr Judy Edwards

police in Perth so that we can get a central view. Obviously, we rely on officers' knowledge, and we cannot always control what officers say or do out in the field.

Mr M.W. TRENORDEN: This is another one of my statements. I have appreciated the contact with the director general's office. Many regional politicians have contacted his office over the past three or four months and it has been very useful.

Mr E.S. RIPPER: Chair, I think that is an appropriate note on which to finish.

The CHAIRMAN: I am about to finish, if the Treasurer gives me the opportunity.

The appropriation was recommended.