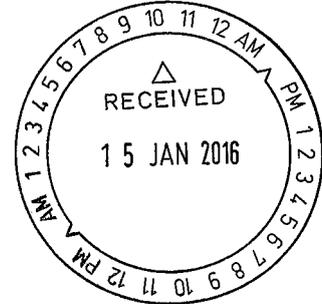




**Hon Mike Nahan MLA
Treasurer; Minister for Energy;
Citizenship and Multicultural Interests**

Our ref: 48-14442
Your ref: Petition No 100



Hon Simon O'Brien MLC
Chairman
Standing Committee on Environment and Public Affairs
Parliament House
PERTH WA 6000

Dear Mr O'Brien

PETITION NO 100 – TAB

Thank you for your letter of 2 December 2015 regarding Petition No.100, which requests that the Legislative Council commits to ensuring a sale of the Western Australian Totalisator Agency Board (WA TAB) does not proceed on the view that it would be to the detriment of the racing industry.

The State Government is well aware of the related concerns of some areas of the racing industry and is consequently undertaking a consultation phase – with a strong focus on the racing industry – before determining whether to proceed to a sales process. In this regard, I understand that the Minister for Racing and Gaming has written to you detailing the consultation and industry engagement undertaken to date.

The long term success of the racing industry and the WA TAB are interdependent. Whilst the WA TAB is currently performing well, it faces a number of significant challenges. These include operating in an expanding national market against corporate entities that have material competitive advantages and competing in a crowded entertainment market.

In addition, as detailed in the report prepared by consultant GHD for Racing and Wagering Western Australia (RWVA) in September 2015, whilst attendances at metropolitan racing events have been steadily declining, significant capital investment and longer term asset rationalisation are required for metropolitan racing to be sustainable.

Given these challenges, the sale of the WA TAB represents an opportunity to set out a longer term plan for the sustainability of the racing industry and at the same time realise the optimal value of the WA TAB business.

I acknowledge that there are many further interrelated issues associated with a sale of the WA TAB. Therefore, all of these complexities will be fully explored through stakeholder consultation, particularly with the racing industry, before the State Government elects to proceed to a formal sale process.

I trust that these comments are of some assistance.

Yours sincerely

A handwritten signature in black ink that reads "Mike Nahen". The signature is written in a cursive, slightly slanted style.

**DR MIKE NAHAN MLA
TREASURER**

12 JAN 2016