

**Racing and Wagering Western Australia —**

Mr S.J. Price, Chair.

Mr R.R. Whitby, Minister for Racing and Gaming.

Mr I. Edwards, Chief Executive Officer.

Mrs C. Mills, General Manager, Racing.

Mr T.J. Robinson, Senior Policy Adviser.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the chair 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 asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what 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 principal clerk by close of business Friday, 1 October 2021. 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 through the online questions system.

I give the call to the member for Roe.

**Mr P.J. RUNDLE:** I refer to the line item "Wagering Systems and Products" under "Works in Progress" on page 301 of budget paper No 2. Why does the funding peak in 2021 and then tail off as we go into the forward estimates?

**Mr R.R. WHITBY:** I might ask the CEO to respond to that query.

**Mr I. Edwards:** This line item refers to capital expenditure within Racing and Wagering. The particular line item referred to by the member involves a number of things, including investment in wagering systems, product development, user experience and customer experience. It fluctuates from time to time depending on accounting treatments and what we capitalise onto our balance sheet through the year. A couple of significant projects were undertaken in 2020–21, including the replacement of all of our terminals in the retail network, which was a project of some significance. It is an item that can fluctuate on occasion from year to year.

[5.50 pm]

**Mr P.J. RUNDLE:** How much of that funding will be used to invest in assets and products that could potentially be included in the sale of the TAB?

**Mr R.R. WHITBY:** I will get the CEO of Racing and Wagering Western Australia to respond.

**Mr I. Edwards:** Under a potential sale of the TAB, all assets that are classified as wagering assets would likely be part of that sale. Every asset that is not classified as a specific wagering asset will remain the property of the racing authority.

**Mr V.A. CATANIA:** Is Tabcorp still the preferred buyer of the TAB and has the COVID-19 pandemic done anything to the TAB's sale price?

**Mr R.R. WHITBY:** For my assistance, can the member state the budget line item he is referring to?

**Mr V.A. CATANIA:** It is a follow-up question, as the CEO for Racing and Wagering Western Australia just mentioned the sale of the TAB. I want to know whether Tabcorp is still the preferred buyer and whether the pandemic has affected the TAB's sale price in any way.

**The CHAIR:** Member, that is a bit of a stretch. The previous question referred to the assets of Racing and Wagering Western Australia.

**Mr V.A. CATANIA:** That is an asset.

**Mr P.J. RUNDLE:** It was about wagering system products.

**The CHAIR:** That is correct. But a specific question about the preferred purchaser of the TAB is probably not appropriate. The minister may decide to answer.

**Mr R.R. WHITBY:** The chair is right that it is probably not appropriate, and I will point out that the carriage of the sale of the TAB is the responsibility of the Treasurer.

**Mr V.A. CATANIA:** Does the minister know when the sale of the TAB will be completed, given that he is the minister responsible for the TAB?

**Mr R.R. WHITBY:** As the chair would know, information is out in the public that the process has stalled as a result of a request by Tabcorp, given COVID. Again, going forward will be a matter for the Treasurer.

**Mr V.A. CATANIA:** Is the minister saying that Tabcorp is still the preferred buyer of the TAB, but the process has stalled because of COVID-19? Is that correct?

**Mr R.R. WHITBY:** All I am saying is that the responsibility for sale of the TAB lies with the Treasurer.

**Mr V.A. CATANIA:** Surely, the minister in charge of the TAB has some idea of who is the preferred buyer and when the process to sell the TAB will commence? Or is it underway—we do not know? Surely, the minister would know that information. Surely, that should be public information. It is public that the TAB will be sold under the minister's government; therefore, what is the time frame?

**Mr R.R. WHITBY:** The member is right that there is public information out there. I can repeat that for him: the process was stalled because of COVID at the request of Tabcorp. The process is now under consideration with the Treasurer because the Treasurer has carriage of the sale of the TAB.

**Mr V.A. CATANIA:** It is important to know whether Tabcorp is still the preferred buyer of the TAB, what the process is from now on and when the sale will be completed, because regional racing clubs will benefit from the sale of the TAB. There has always been a fear that the sale of the TAB will impact on regional racing infrastructure. I want some clarity. There is nothing sinister about my question. The racing fraternity in regional Western Australia wants to know whether this process still exists, Tabcorp is still interested and when the saga of the sale of the TAB will end, so we can guarantee that regional racing still has a future.

**The CHAIR:** Minister, even though you have answered this question at least twice previously, you can respond if you like.

**Mr R.R. WHITBY:** I am happy to respond.

**Mr V.A. CATANIA:** He has not answered it; that is the issue.

**Mr R.R. WHITBY:** I am happy to respond again. The member brought up the issue of country racing. Of course, the government is absolutely committed to supporting all codes and codes in the regions as well. We are very supportive of that. As I have said before, the carriage of the sale process is with the Treasurer, but I think it has been stated publicly that if there is a sale of the TAB, we will make sure that it is in the best interests of the racing industry.

**Mr V.A. CATANIA:** I have a further question.

**The CHAIR:** Is it a different further question?

**Mr V.A. CATANIA:** It is a further question to the questions. Does the minister have a global figure of what the TAB is worth in the current climate? Surely, the minister in charge of the TAB would know whether it is worth \$300 million, \$1 billion or somewhere in-between? Does the minister have an idea of what it is worth and what the government would like to get for it?

**The CHAIR:** Members! The minister is the person who responds to questions, not you. Once again, it is a bit of a hypothetical stretch of the questions and it is up to minister if he would like to respond.

**Mr V.A. CATANIA:** There is only five minutes left, chair.

**The CHAIR:** I have two hours with the member in the other place after the dinner break!

**Mr R.R. WHITBY:** If I wanted to sell an asset, I would not let anyone know what I thought it was worth. I would be after the best possible price. That is just a personal observation. I think I would be mad to put a number on any asset that I, or anyone else, wanted to sell because I would want to get the best price possible. Having said that, the Treasurer has carriage of this matter and I know that the government is intent on making sure that if there were to be a sale, it would get the best possible outcome for the racing industry.

**Mr P.J. RUNDLE:** The minister pointed out a minute ago that Tabcorp had asked the government to delay the sale due to the COVID situation. To give surety to the industry, can the minister quantify what he thinks the time span might be for the sale? Are we talking two, three or four years?

**Mr R.R. WHITBY:** I appreciate that the industry is looking to the future, and I understand that, but, again, I may be the minister, but I am not the Treasurer.

**Mr P.J. RUNDLE:** I will put it another way. If a sale did occur through the Treasurer, would the minister guarantee that RWWA will not have to come cap in hand every year looking for a contribution to continue the good

work that it does at both metropolitan and regional racetracks? Will the government make a solid commitment to continuity of funding?

**Mr R.R. WHITBY:** I think everyone in the government wants a very positive future for racing and wants to ensure that racing is sustainable.

**Mr P.J. RUNDLE:** I refer to page 301 of budget paper No 2, volume 1 and the asset investment program regarding the line item “Racing Systems, Infrastructure and Minor Capital”. Do these figures include the running costs of Touchstone Farm?

**Mr R.R. WHITBY:** I will again refer that to the CEO.

**Mr I. Edwards:** Yes, they would include the capital expenditure associated with the Off the Track WA estate. It is not the operating and running costs, but any capital expenditure to improve the site would be part of that number.

**Mr P.J. RUNDLE:** Can the minister clarify how many FTE Touchstone Farm employs and how many ex-racehorses are currently accommodated there?

**Mr R.R. WHITBY:** I might refer that to the general manager, racing, Charlotte Mills.

**Mrs C. Mills:** We have approximately two FTE associated with the Off the Track estate. We have a landlord who manages the estate and we obviously have an administration support person who also works in the RWWA office doing a broader approach to the retraining program. In terms of the number of horses on the property, it is not a static number; we obviously have a flowthrough of horses to the rehoming program. Last financial year, we rehomed 40 thoroughbreds and standardbreds.

**Mr P.J. RUNDLE:** This might be the lucky last question. What is the average ongoing running cost year on year for Touchstone Farm for rehoming and so forth?

**Mr R.R. WHITBY:** I will get Charlotte Mills to answer again.

**Mrs C. Mills:** Overall, we apply approximately \$500 000 to thoroughbred and standardbred welfare. Touchstone Farm receives a small proportion of that to cover the FTEs. The conversion of the property from a breeding facility to a retraining and rehoming facility has been covered in capital expenditure.

**The CHAIR:** That concludes the examination of the Racing and Wagering Western Australia off-budget authority.

*Meeting suspended from 6.00 to 7.00 pm*