

TAB — PRIVATISATION

**58. Hon COL HOLT to the minister representing the Treasurer:**

I refer to the Premier's comments on 6PR yesterday that he had advice from Treasury that selling the WA TAB would put the state at risk of losing its current credit rating.

- (1) Will the Treasurer table the advice his department gave to the Premier?
- (2) If no, will the Treasurer outline reasons why selling the TAB could risk WA's credit rating when previous advice has been that in order to get the AAA credit rating back, the state must look at privatising assets?

**Hon STEPHEN DAWSON replied:**

I thank the honourable member for some notice of this question. We also thank the member for his renewed enthusiasm for returning the state's AAA credit rating—having been part of the government that saw our hard-earned credit rating downgraded due to its gross financial mismanagement.

The following information has been provided to me by the Treasurer —

- (1) No. The advice was provided verbally.
- (2) The implications for the state's credit rating are not immediately clear. The sale of the TAB would result in the loss of its turnover or revenue of \$2 billion to \$2.5 billion per annum from the operating statement of the total non-financial public sector. This, in turn, would result in an approximately five percentage points increase in the net-debt-to-revenue ratio, which was a financial target of the previous government and is a metric that is often considered as part of credit rating assessments. However, I also note that the revenue of the TAB makes no direct contribution to debt servicing. The Department of Treasury will liaise with the ratings agencies for their views on this point to confirm what, if any, impact a sale would have on the state's credit ratings. Furthermore, I note that a decision to remove the state government from competing in the wagering market is more than a financial consideration. Indeed, it is a question that is intrinsically linked to the future of the local racing industry and potential reforms in this sector. Be assured that the state government will consult with the racing industry prior to making any decision on whether to proceed with a sale, and will proceed only if it can be demonstrated to be in the interests of the racing industry and the state overall.