

**PRIVATISATION-GST BATTLE**

# WA doubtful TAB sale will bring in \$1b

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The State Government believes the sale of the TAB will not generate anywhere near the \$1 billion that Federal Finance Minister Mathias Cormann has suggested.

*The West Australian* understands the State Treasury believes selling the TAB would generate less than \$200 million — one-fifth of what Senator Cormann nominated.

It is understood the confusion stems from comments made by Colin Barnett on February 25.

The Premier told Parliament that while the Government would not privatise the TAB this year, he and his parliamentary secretary John McGrath had begun informal discussions with the industry about its future, adding that the TAB could fetch up to \$1 billion.

Industry insiders say the TAB — the last of the government-owned betting agencies in Australia — has a declining worth because of the rise of online betting.

Last week, Treasurer Joe Hockey held out the prospect of a special GST rescue package if WA committed to economic reform, including

the sale of State-owned assets. The State Government and Labor have questioned why WA's diminishing GST share should be linked to a demand for privatisations.

But Senator Cormann yesterday affirmed Commonwealth expectations, saying government-owned assets could perform better in private hands and the proceeds could be reinvested in infrastructure.

"I don't agree with Colin the issues aren't linked," he said.

"If WA was a bit more ambitious, a bit more proactive and had a bit more of a sense of urgency around pursuing asset sales, what it would also mean is they could access billions of dollars potentially in Federal incentive payments through the asset recycling fund. The fact they don't seem to have more of a sense of urgency around that, in my mind, weakens their argument somewhat in relation to GST distribution."

Senator Cormann said other reforms, such as the deregulation of retail trading hours, would show WA was serious about putting the State in a position to withstand falling iron ore prices.

■ EDITORIAL P18