

**PAY-ROLL TAX RELIEF (COVID-19 RESPONSE) BILL 2020**

*Introduction and First Reading*

Bill introduced, on motion by **Mr B.S. Wyatt (Minister for Finance)**, and read a first time.

Explanatory memorandum presented by the Minister for Finance.

*Second Reading*

**MR B.S. WYATT (Victoria Park — Minister for Finance)** [3.24 pm]: I move —

That the bill be now read a second time.

This bill seeks to waive payroll tax from 1 March to 30 June 2020 for small to medium-sized businesses with Australia-wide wages of less than \$7.5 million in 2019–20 and provide a payroll tax exemption for payments under the Australian government's JobKeeper scheme.

On 31 March 2020, the McGowan government announced the payroll tax waiver as part of a \$1 billion economic and health relief package to support Western Australian businesses, households and community groups during the COVID-19 pandemic. The waiver is expected to deliver approximately \$165 million in payroll tax relief to around 10 700 businesses that will not have to pay payroll tax for the four-month period. Employers, or groups of employers, with Australian taxable wages of less than \$5 million over the 2019–20 financial year to 29 February 2020 can automatically claim the waiver by lodging their returns as usual with the WA taxable wages for March to June declared as exempt wages. For employers, or groups, with Australian taxable wages of \$5 million or more over the 2019–20 year to 29 February 2020, payroll tax for March to June 2020 will be waived at annual reconciliation if their Australian taxable wages for the year are less than \$7.5 million. These businesses can apply to defer their payroll tax payments for March to June if they have been impacted by COVID-19.

On 30 March 2020, the commonwealth government announced the JobKeeper payment scheme to help businesses impacted by COVID-19 to continue paying their employees. Under the scheme, businesses will receive \$1 500 a fortnight per eligible employee. The commonwealth's wage subsidy is about keeping the connection between the employer and the employee and keeping people in their jobs, even though the business they work for may go into hibernation and close down for six months. The bill makes these JobKeeper payments exempt wages for payroll tax purposes in Western Australia.

Regulation-making powers have been included in the bill to allow other wages to be prescribed as exempt from payroll tax if they are part of COVID-19 measures. This will allow the government to respond quickly if further relief measures are required. These measures are contained in a standalone act instead of the Pay-roll Tax Assessment Act 2002 because they provide specific relief for businesses impacted by COVID-19 rather than applying to payroll tax in general. A sunset clause will repeal the act 12 months after royal assent.

The bill needs to be passed urgently to ensure that legislation is in place to support the waiver and payroll tax exemption for JobKeeper payments. This will provide much-needed support to Western Australian businesses during these unprecedented times for our economy. The associated explanatory memorandum contains further details on the amendments. I commend the bill to the house.

**MR D.C. NALDER (Bateman)** [3.27 pm]: The opposition will support the Pay-roll Tax Relief (COVID-19 Response) Bill 2020. The opposition has been calling for payroll tax relief for the business community. Although we would have liked to have seen it go a bit deeper, we support the bill and the relief it provides for businesses with a payroll of less than \$7.5 million.

By way of a speech on the second reading, I will adopt a slightly different approach and raise the questions that I have with this bill on the basis that if we can get them resolved, we may be able to transact this bill a little more quickly. The first issue that I would like to highlight—it is not so much a question—is our view that it is a bit of a stretch for the government to claim it is providing \$165 million in tax relief when a lot of businesses are not currently open and therefore do not have payrolls, and no payroll tax would be generated in the first instance. It is a bit of a stretch for the government to suggest that it is being very generous to business when I do not believe that the full payroll tax will necessarily be paid during this period. As I asked the Treasurer two weeks ago, I would be interested in what modelling has been undertaken so that we can understand how many businesses with a payroll of less than \$7.5 million are trading at the moment. I do not know whether that number is 10, 20 or 50 per cent, but I would be very surprised if it was a high number and therefore I would be very surprised if \$165 million tax relief would be provided.

I say that because I do not believe that the government is generating that revenue for that bracket at this point in time. Two weeks ago in another conversation with the Treasurer, I raised the issue that the JobKeeper payment has been identified, therefore JobKeeper payments to businesses will not form part of the calculations for payroll tax. I have interpreted that a certain way, and I want to double-check whether the JobKeeper payment applies for

all brackets, not just those up to \$7.5 million. To qualify that question, we know that this legislation will bring an exemption of payroll tax for businesses with payroll up to \$7.5 million, and JobKeeper payments will not apply to that \$7.5 million. I just wanted to check the way I have interpreted it, that JobKeeper payments will not apply for all brackets of payroll above \$7.5 million as well. I hope I am being clear on that. The Treasurer can leave that to his reply to the second reading debate.

**Mr B.S. Wyatt:** Is your question: are all JobKeeper payments exempt, regardless of their payroll?

**Mr D.C. NALDER:** Correct. If a business has a payroll above \$7.5 million, will the JobKeeper payment be calculated in those? I interpreted that that is what the case will be, but I wanted to seek clarity.

I also saw the explanatory memorandum, and I am pretty clear on this issue, but again I want to document for confirmation when employers top up, over and above. I have a personal situation in which a family member has maintained their job, but I know the organisation is getting JobKeeper payments. His payment works out to about \$1 900 a fortnight. He will be getting the \$1 500 JobKeeper payment, because he is still performing a function, but the organisation has dropped more than 50 per cent of its revenue—blah, blah, blah. I think the way this works is that the organisation would receive a JobKeeper payment, but it will still pay him more than that JobKeeper payment.

**Mr B.S. Wyatt:** They are still paying the extra \$400?

**Mr D.C. NALDER:** Yes, they are paying \$400. They are still paying the \$1 900, but will be reimbursed \$1 500 under the JobKeeper payment.

**Mr B.S. Wyatt:** So your question is: is the \$400 top-up captured for payroll tax purposes?

**Mr D.C. NALDER:** Yes, and to qualify that, on the basis that they are being reimbursed \$1 500 of his \$1 900, does that \$1 500, which was the original payment, not include that? I want to clarify how this will be applied, without JobKeeper payments being counted. Some will essentially be topped up by the way that the JobKeeper payment is paid. I am seeking clarity about how the application of the JobKeeper payment—I believe it is only \$400 that this person receives—is counted towards payroll tax. I just want that clarity.

The other thing we want to call on the government about that we keep restating—we will talk about this more tomorrow in debate on residential tenancies and so forth—is around the changes to land tax that the government has committed to. I know it is not in this specific bill, but we are calling on the government to do more around the land tax situation. We are seeing greater pressure out there and, as I said, we will raise this issue tomorrow during the debate on residential tenancies. We need the government to act on land tax. We are starting to see other states take it into consideration and we call on the government to do that.

I understand that the sunset clause on this legislation is 12 months after the bill's royal assent. I want to clarify, because at this point—again, we touched on this two weeks ago—this will take it through to 30 June. There are reasons why it is for that four-month period, but if the government decides in June that these provisions need to be extended, does that need to be by additional legislation, or would it be through regulation? I sense, in the way I have read this, that we will need further legislation, but I want to clarify how this applies if the state wants to continue the exemption. It is not clear to me how this would be applied, because I understand that through to 30 June takes us to a certain point, but the reality is that we are really not quite sure today what things will look like in one or two months' time. I just want clarity from the government about whether there is flexibility in this legislation that allows an extension if it is deemed appropriate, or whether it needs to come back through as a specific piece of legislation. That is the sum of the questions that we have on this bill, but as I said, the opposition supports this bill and we look forward to its passage through both houses. I also look forward to the response from the Treasurer.

**MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA)** [3.35 pm]: I have rushed down here without my notes, so this contribution will be from memory from the briefing this morning. I do not think there is a great deal more for us to add from what has already been canvassed. We welcome the government's response through this Pay-roll Tax Relief (COVID-19 Response) Bill 2020. We thank the government for the briefing, albeit it was only yesterday. We understand why. It is important that for future reference, every time we speak we note that all this is being done in a very contracted time frame. Our members are spread all across the state and a number of them cannot be in the house. Normally, Hon Terry Redman, our finance and Treasury spokesperson, would be dealing with these matters, but because we are adhering to the social distancing measures that have been put in place, only three of our party team are here today. Notwithstanding that, we have had a briefing on this legislation and we will try to ensure that any questions our members have are asked by the person who responds from an opposition perspective. Here are my notes; I can assure members that they are very comprehensive!

In general, the Nationals WA support the measures in this bill, and anything that will relieve the impact that many of our businesses are feeling at the moment. I am sure that every member in this place has had conversations with business owners in their electorates who are under pressure at the moment. We ask the government to bring

forward as soon as possible whatever levers it has available. It has previously been mentioned that some businesses will not be captured by this bill. That occurs because governments are looking for areas in which it already has a relationship with businesses in order to pull the levers that it has. As has been canvassed in this place already, a whole raft of very small microbusinesses and independent operators will still not get support from either the federal or state government. That will continue to make it very challenging as we attempt to deal with this issue going forward.

I am sorry; I was not here when the Treasurer spoke, so he may have answered or canvassed this issue in his second reading speech, but how many businesses does he anticipate the legislation will impact? Some questions were asked in our briefing about whether the Treasurer pre-empts any unconscionable behaviour or conduct by businesses that might be stacking or gaming the system. We were advised that there is provision in the WA tax legislation that if, after investigation, businesses seem to be doing that, they can be penalised. But obviously, when a hard cut-off figure is set, some businesses will fall just over the threshold and some will fall just under, and if it is to their benefit, we may see businesses shedding employees. That was one of the questions that was asked during our briefing. From a government perspective, what is the total amount of relief that this legislation is likely to provide? What is the impact on the bottom line to the government in forgoing this revenue as a part of the COVID-19 relief? I think those are our only real questions. As I said, our members were very supportive of the measures in the bill. There was a question around the regulation-making power in the bill to exempt other payments, and we assume that that is only for COVID-19-related measures that have been brought in by the commonwealth and the state government. We can deal with that. I am not sure whether we are going into consideration in detail, so perhaps the Treasurer could answer that question in his reply.

Again, the Nationals WA are very happy to support this legislation. There is not very much more that I can add other than to thank the government for making this a priority bill to try to provide some relief for the many businesses doing it incredibly tough at the moment. It has been quite inspiring watching our communities come together to support small businesses. I have been watching with interest my local community in Northam. Instead of people going out and sitting down to enjoy some of the beautiful venues down the main street, a lot of businesses have pivoted and set up takeaway. If they are in the hospitality industry and their normal clientele is not able to come through the door, they have switched very quickly to provide services online. That shift will come at a cost to them, but I can report from my personal experience in my electorate that a significant amount of work has been done by local chambers of commerce, local businesses and local governments to support those businesses that really are the lifeblood of our main streets and that employ so many people and provide such an important service to our community. I say to them that we are doing anything we can in this place, both in discussions with the state and federal governments, to ease the burden as we go through this very extraordinary time. No doubt there will be further measures as we go forward, but this is a very good one in the first instance to try to provide that additional relief.

**MR S.K. L'ESTRANGE (Churchlands)** [3.41 pm]: I also join the debate to speak for a few brief moments in support of the Pay-roll Tax Relief (COVID-19 Response) Bill 2020. Given the way that Parliament is running, we generally do not have time for the very long speeches that we are used to in this place. The context of what this bill is trying to achieve is incredibly important. I want to reflect somewhat on not only the context in which this bill has evolved through COVID-19, but also the pre-COVID-19 situation. Things were already very tough for small business. I think everybody in this chamber knows that. As a former Minister for Small Business, I know that a lot of small businesses, often husband-and-wife teams or small partnership teams, take out loans to set up businesses to try to make a go of it. The Treasurer knows that the economic indicators pre-COVID-19 were already tough—five per cent unemployment, 75 000 people unemployed and 128 000 people underemployed. The whole effort of trying to get consumer spending up in Western Australia was tough for the government. It was struggling to support businesses to get through that. The opposition was very much in favour of anything that supported small business in the pre-COVID-19 economic climate. The current conditions are, of course, nothing less than a massive economic and societal shock, the likes of which none of us has ever seen. The only equivalent that some in our community might be able to align this COVID-19 situation to would be a world war experience or something of that nature if they have come from a war-torn country. We are going through incredibly difficult times.

We know that the building industry was really struggling towards the end of last year, with residential building approvals having fallen by 13 per cent. We know that the CommSec report in January this year ranked Western Australia seventh in a lot of economic indicators, such as construction, retail, housing, finance, unemployment and dwelling commencements. It is important to bring in a bill that gives some payroll tax relief to small businesses. I think that the questions put to the Treasurer by the shadow Treasurer and the Leader of the Nationals WA are important. It is important that we understand the detail, but it is also important that we understand just how many of these businesses can be helped and whether this will get them to where they need to be when we start thinking more clearly about a post-COVID-19 future.

I note that the government has introduced other measures. On top of the payroll tax exemptions, the other stimulus measures that have come into play are, of course, the Synergy and Horizon Power credits that have been offered, freezes on increases to household fees and charges, and the doubling of the energy assistance payment, just to name a few. They are incredibly important. If people do not have work or a small business does not have clients because of restrictions, every bit of effort to support households is critical at this time.

The post-COVID-19 outlook is something both government and opposition parties are looking at closely now. We are starting to look at some of the economic data feeds coming from groups like the Chamber of Commerce and Industry of Western Australia, for example, to get a sense of what a recovery will require, what type of economic stimulus will be needed and how far it will need to go to get some semblance of normality back. Of course, the new norm, which we should all be striving for, should be better than what was pre-COVID-19 in any case—tough economic conditions at the time.

We have all heard, for example, that the COVID-19 pandemic is expected to cause a global recession worse than the global financial crisis. In its most recent report, the CCIWA says we face an estimated unemployment rate of 13 per cent due to COVID-19, and that if WA were to go into a full lockdown, that could jump to 18 per cent, or 180 000 people. An estimated 85 per cent of businesses will be affected by the largest fall in confidence on record. The Bankwest Curtin Economics Centre also predicted that unemployment would increase to 13 per cent, with 125 000 workers out of work. These are tough times and they are going to require an enormous amount of creativity and effort on the part of both the government of the day and the opposition. We are leading into an election year, of course, with an election due in March next year, and the opposition parties will be working very hard to try to work out their policies going forward for a post-COVID-19 future to get Western Australia back on track. No doubt the government will be doing the same thing.

One thing that I certainly have been exposed to is end-state planning, something the Treasurer may recall from his stint of training as well. It requires us to look at the conditions of our society at the moment or at the conditions that we are now dealing with. It also requires us to anticipate what the conditions will be like in six months' time, because they could get worse. We need to know what they are likely to be so that we can start thinking about all the different aspects of the economy, through small, medium and large businesses. We also need to look at all aspects of our society, be it education, health or law and order, on top of the economy itself. Those things are lines of operation. We need to look at those lines of operation and ask what the objectives on those lines of operation are going to be to get us to our end state, with the end state being the condition that we hope for; the absolute condition that we want to achieve; our desired end state. I think that this bill is one small piece of the jigsaw. It is a small effort to support small businesses with some payroll relief, which assists that small business line of operation towards that end state; that is, how do we get businesses back on track in a post-COVID-19 future and when do we want them to be back on track.

In wrapping up, I want to support the comments of the shadow Treasurer and the Leader of the Nationals WA, who asked some questions about the technical aspects of this bill and how it could work to support small businesses. However, I also wanted to add my input to this debate to say that it is also part of a bigger picture. Although I would argue that this type of payroll tax relief measure, albeit with the sunset clause of 12 months, could have been looked at pre-COVID-19 given the stresses and strains that small businesses were under—that is certainly something that I would have been looking at at the time—it is good to see it here now. I am sure that we will also get to debate in this place what more can be done to support our society and our communities going forward.

**MR B.S. WYATT (Victoria Park — Minister for Finance)** [3.49 pm] — in reply: I firstly thank everybody for their contributions to the debate on the Pay-roll Tax Relief (COVID-19 Response) Bill 2020—namely, the member for Bateman, the member for Churchlands and the Leader of the Nationals WA. I would like to deal with a few specific questions, but I will start by picking up on the point of the Leader of the Nationals WA. We are all seeing in our local communities how businesses have reacted to decisions that, to be honest—the Premier has said this publicly—no government, regardless of their political stripes, would have thought they would make to try to ensure that we can suppress and eliminate the spread of COVID-19 in our community. They are active decisions that we know are going to see many, many people lose their jobs. These have been traumatic decisions. I think we see that with all the leaders of the national cabinet. We certainly see on the faces of the Premier and the Prime Minister that they feel the weight of these decisions.

I want to acknowledge the businesses in my electorate as well. Those still open and operating have reacted amazingly. We have seen how innovative they can be, and we all see it in our own communities. We are seeing what were thriving restaurants, for example, completely turn their business plans on their heads to provide a different service to their communities. In Victoria Park a “Support our Strip” Facebook site has very quickly developed, which I have to acknowledge in the chamber, because it has effectively become an online community hub where everybody talks about who is selling what, whether it tastes good et cetera. It has generated a lot of activity. Looking at the credit card data I have been getting from banks of late, which has been wonderful data to get, we are spending a lot of money on food and alcohol at this point. Everything else seems to have fallen off

quite considerably, but that is certainly generating a lot of interest at the moment. I want to acknowledge all of our businesses. We are seeing people respond incredibly quickly and well to what will be the toughest times for trading I expect they will ever experience.

The member for Bateman made a couple of points. His first point was disputing the figure of \$165 million and querying the modelling we have. At the moment, the best answer I can give is we will know through tax collections. March tax collections are holding as expected, but now I am expecting that we will start to see that fall off. Really, the best thing we will have is tax collections on a monthly basis, so there is a bit of a lag. By this time in May we will see what has happened in April, and I expect the member is probably right that we will see a decline, not just in payroll tax, but a range of different tax revenues.

The member is correct in the question he asked about JobKeeper payments. All payments made under the JobKeeper scheme are exempt regardless of the threshold the business is in. I just want to confirm that. The member had already worked that out, but I am just confirming it for the record. Regarding the top-up scenario, if an employer gets the \$1 500 and passes it on to the employee, plus the \$400 top-up in the member's example, it is \$400 that is captured for payroll tax purposes, not \$1 900. I think that is the position the member worked out anyway, but I just want to confirm it for the record as well.

The final question the member for Bateman had was about continuing the exemption. By way of regulation, under this legislation, we can exempt certain categories, and we are really thinking of the scenario of whether the JobKeeper payment is extended or phased out, so there is still a component of it. That regulation would allow us to continue that exemption. If the commonwealth does another form of welfare-type wage support, it is not captured. This just allows us to capture those things without having to have other legislation; however, continuing the broad exemption will require other legislation, as the member said.

The Leader of the Nationals WA is right: this has been done very quickly. I have had a couple of text exchanges with the member for—Terry —

**Ms M.J. Davies:** Warren–Blackwood?

**Mr B.S. WYATT:** Yes, the member for Warren–Blackwood, I thank the Leader of the Nationals WA. I have had a couple of text messages about this bill. The question that the Leader of the Nationals WA asked about how many businesses is a good one. The threshold is 10 700 businesses, but we can work it out pretty quickly. How many businesses will get the benefit of moving from payroll to a JobKeeper payment? To be honest, I do not have an answer for the member. This is a question about what the cost is. I suspect it will be significant, but at the moment all we can go off is the businesses that have registered for the JobKeeper payment as of late last week. I think the Prime Minister or the commonwealth Treasurer has said about 700 000 to 800 000 had registered nationally. Let us assume Western Australia is 10 per cent, so 70 000 businesses in Western Australia have registered their interest. All of those would be expecting payroll, so we will see over time how many will move from a payroll-captured wage to a JobKeeper payment. All states are going to do this. Realistically, we cannot apply a payroll tax to what is effectively welfare. It is a wage subsidy, but it is welfare support. I am sure all state Treasurers would have liked the idea, but the reality is we cannot do that. All state Treasurers are in the same position to a certain extent. We have all agreed to exempt those businesses, but we do not quite understand what the full impact is going to be. We will pay close attention to the unemployment rate, and that will give us some idea.

A couple of weeks ago now—two weeks ago feels like two years ago at the moment—the Bankwest Curtin Economics Centre did an interesting release of where it was seeing industries with the largest unemployment spikes. It is interesting to overlay that against the WA state government's payroll tax collection. We are in a fortunate position to a certain extent in that about 60 per cent of payroll tax collected by the WA government is mining related. Direct employment in mining is holding. Of course, contractors et cetera are probably feeling the biggest pinch with this. We just do not yet know how many businesses will transition to the JobKeeper payment. Of course, as soon as they transition to it, they will be exempt, which brings me to the other point the member made about integrity measures of these things.

I want to read something in, because we get some wonderful information as ministers when we bring in legislation, and I just want to get it on the record. The member is right that our Taxation Administration Act has some fairly strong compliance enforceability, but to a certain extent we are relying on the JobKeeper payment component. The Australian Taxation Office and the commonwealth are doing their bit to make sure it is robust. I will just get this on the record. The document I have says that the JobKeeper payment contains robust integrity features and draws on the existing regulatory and enforcement infrastructure of the Australian Taxation Office. These features range from the eligibility requirements to specific rules to address contrived schemes and fraud. The eligibility conditions for the small business wages exemption were designed to be implemented quickly to assist businesses who are on track to pay wages of less than \$7.5 million in 2019–20. It is possible that a very small number of businesses with taxable wages just over \$7.5 million may indeed now be incentivised to reduce their wages to benefit from the waiver; however, these businesses may have reduced wages in 2019–20 in any case because they have either

already decreased their workforce or are benefiting from JobKeeper payments. Some businesses might deliberately do that to avoid payroll tax exposure. How do we find out over time? I guess we do over time. Also, if they are compliant with the laws, they are compliant with the laws.

The small business wages exemption is subject to existing penalty and offence provisions that deal with tax avoidance and other behaviour such as providing false and misleading information to reduce tax. Both the ATO and the Office of State Revenue are pretty good on that sort of deliberate behaviour. There are businesses that continue to trade, and I suspect some businesses have zero need to utilise the JobKeeper payment. If they are utilising JobKeeper payments for payroll tax purposes, I suspect they will get the interest of the ATO and the Office of State Revenue.

**Ms M.J. Davies** interjected.

**Mr B.S. WYATT:** The member is quite correct; we are seeing behaviour already—this might come up in tomorrow's debate on commercial and residential tenancy issues—and I think it has been driven by the Prime Minister's comments in his press conference a couple of weeks ago that states had been running around trying to come up with a system around this. That behaviour changed—I suspect that we have all come across it—to perhaps take advantage of that.

**Ms M.J. Davies:** My father always used to say that the reason the tax act is this big is that every time you put something in there, someone figures out a way to get around it.

**Mr B.S. WYATT:** Absolutely—correct.

**Ms M.J. Davies** interjected.

**Mr B.S. WYATT:** That is right. That is the sad reality. I think the JobKeeper program will have its flaws over time. I suspect that the commonwealth government will tweak it over time, but I think it was simply designed to get money into the system as quickly as possible. Inevitably, there will be flaws in it that hopefully will be dealt with, and I hope they are because, despite the enormous amount of money, it should not be taken advantage of by those who should not do so. I suspect that that will follow. Speed has beaten perfection with some legislation, and I suspect with some of our legislation, and we will find out over time as we need to react to it.

The final point I will make is about the speed. If it was an extraordinary course—I have said this to some of my colleagues—and I was trying to get a payroll tax amendment drafted by the parliamentary draftspeople, I would have been given an 18-month timetable for when it would come back. The person who seems to get things drafted very quickly is the Attorney General; everyone else has to spend some time waiting. I acknowledge those who are drafting legislation at the moment; they are working incredibly hard to turn around legislation at lightning speed. It is extraordinary how quickly some of that is being turned around, including tomorrow's legislation on complicated areas of tenancy law, so I do want to acknowledge them.

I think I have answered all the questions. The member for Churchlands is right; what is the end state we are trying to get to? It will evolve over time, but at the moment we are fortunate in Australia, particularly in WA, with our numbers, particularly active cases. We have more recoveries than active cases, which is a good sign. As each week and month ticks over with such a constraint on our economy, some businesses will have capacity to tick along for a period and then they will not. That is what I think we are seeing now; a lot of businesses are still active in one way or another because they are able to continue for a period for whatever reason, including their balance sheet. Where the commonwealth government and all state governments have gone in trying to achieve hibernation for households and businesses is the right approach. It is an effective pause on an economy and on society for, hopefully, a short period so that we can come out on the other side. It is something that I hope none of us will see or have to deal with again in our lifetime.

I thank all members. This is important legislation. It is inevitable legislation around the JobKeeper exemption from payroll tax. It is legislation that I appreciate the support of all members for.

Question put and passed.

Bill read a second time.

*Third Reading*

Bill read a third time, on motion by **Mr B.S. Wyatt (Minister for Finance)**, and transmitted to the Council.