

**CASINO (BURSWOOD ISLAND) AGREEMENT AMENDMENT BILL 2003**

*Second Reading*

Resumed from 25 June.

**MR M.J. BIRNEY** (Kalgoorlie) [12.33 pm]: I advise the House that on all occasions when this Chamber is dealing with legislation on racing and gaming and liquor licensing, I will be representing Hon Barry House who is the shadow Minister for Racing and Gaming.

The Liberal Party will support this legislation and it is not our intention to hold it up. It is somewhat overdue but it is important that I go through a couple of the larger points contained in this Bill. Members will be aware that the Burswood International Resort Casino has for some time operated under a state agreement Act. Under the terms of that Act it has been required to pay a turnover tax of 15 per cent. The first part of this Bill changes the rate of tax that Burswood Ltd is required to pay on turnover on its premises. Currently, that rate of tax stands at a flat 15 per cent across the board. The new proposals will separate that flat rate of 15 per cent into a three-tier system. Electronic gaming machines will be separate from table games, which will be separate from the international gaming room. From December 2002, electronic gaming machines will have their turnover tax increased retrospectively to 17 per cent. A further increase will be required under the terms of this Bill in 2003, at which time the rate for gaming machines will increase to 18 per cent and then 20 per cent in 2004. Although table games, including keno, will also incur a marginal increase, it will not be as high as that for the gaming machines. I am told that the rationale is that the running of gaming machines creates a significant number of jobs for people in the community; therefore, they attract a lower tax rate. Table games, including keno, will also be dealt with retrospectively and the tax rate will increase from 15 per cent to 16 per cent from December 2002. In 2004 there will be a further increase to 17 per cent, and in 2006 it will go up to 18 per cent. The international commission business will have a decrease in taxation. Currently, the international room attracts a flat tax of 15 per cent, as do the gaming machines and the table games. That rate of 15 per cent will also be reduced on a sliding scale retrospectively to 13 per cent from 24 December 2002, to 12 per cent from 2004 and 11 per cent in 2006.

At face value, people may question why we are giving Burswood a tax reduction for its international business and imposing a tax increase for its domestic business. I understand the reason is that the Burswood Casino has trouble competing with some of the other major Australian casinos, largely because of its excessive tax rate of 15 per cent. We are told that the move to reduce that tax rate to 11 per cent, albeit by 2006, will greatly enhance the competitiveness of the Burswood Casino. I understand also that the Burswood Casino's international room has been struggling in recent times, largely due to such things as the severe acute respiratory syndrome virus and the events of September 11. However, this legislation will put the Burswood Casino in good stead when that international market turns around - I am sure that it will turn around in due course. A lower tax rate for the international room will allow Burswood to offer all sorts of incentives to get international players into the State. Those big spenders from other countries are then likely to spend some of their money in our local economy, and the Government will still pick up the 11 per cent turnover tax.

The interesting part of this decision is that it is retrospective and dates back to 24 December 2002. I understand that it will reap the Government a windfall of \$815 000. This Government has been the beneficiary over time of a number of increases in revenue. For instance, how could we forget the famous line from the Premier when he was Leader of the Opposition that, "We will not increase taxes and charges." It is now a famous quote with which we are all familiar. The sad fact of the matter is that since this Government has come to power there has been an increase in taxes and charges to the tune of \$400 million. A number of windfalls have come the Government's way with regard to oil and gas royalties and other royalties related to those industries. Now it will receive a windfall of \$815 000 by way of the new retrospective taxation regime being applied to the Burswood Casino. At some stage, the Government will have to start thinking about giving some of that money back to the long suffering taxpayer, particularly in light of the fact that the then Opposition leader, Dr Gallop, gave a clear commitment to the electorate during the televised leaders' debate prior to the last election that the Labor Party "will not increase taxes and charges". As I said, to date there has been a \$400 million increase, and the increased taxation regime for Burswood Casino has created an \$815 000 windfall. I make that point so that members are up to speed with the deception we saw during the last election when the Labor Party promised not to increase taxes and charges. Notwithstanding that, the Opposition will support a change in the taxation regime for Burswood Casino. At the end of the day, any move that attracts big spenders into Western Australia is an initiative worth supporting.

The other important part of the Bill - some may argue that it is the most important part - is the Government's move to remove the 10 per cent cap in ownership that currently applies to the casino. Concern about this has been enunciated over time, and that led to the initial cap being applied. The initial cap was somewhere in the

order of five per cent and was increased to 10 per cent by Hon Max Evans. This Government is keen to remove the cap altogether. Quite frankly, I think that is a good idea. Burswood Casino is simply another Western Australian business, albeit a large business, and I cannot understand why there is, in this day and age, a cap in ownership on what is essentially another Western Australian business. However, I understand the need to limit foreign ownership. As I understand it, the 40 per cent cap on foreign ownership will still apply with the passing of this legislation. I imagine that lifting the cap will do a couple of things; first, some of the major players in the casino industry may take a significantly higher stake in Burswood Casino. People will think that is either a good or bad thing. I do not think it is necessarily a bad thing. If major shareholders in eastern States casinos take a major share in Western Australia's casino, they will probably have a real interest in ensuring that some of the pool of international gamblers who frequent their eastern States casinos also visit Perth and Burswood Casino. Why would an individual or group take a major stake in a project when it had a competing interest in other States unless it was going to encourage people to visit its new acquisition. At the end of the day, that can only be a good thing.

The removal of the cap will probably increase the share price of Burswood Casino. Current shareholders will be the beneficiaries of that move. If the shares are currently undervalued, I would like to see their value move north. I do not see a problem with that at all. In fact, that would more than likely create a real benefit for Burswood Casino, because, just like every other Western Australian company, Burswood Casino has to raise money from time to time to undertake all of the things that we take for granted, such as the ballroom and other facilities. Raising significant amounts of money from the market relies on having a reasonably high share price, otherwise, unless the market is flooded with shares, only limited amounts of money can be raised. If this move has the effect of increasing Burswood Casino shares, that will be good for the reinvestment that can be made by the owners into that facility. I do not need to remind members who are present what a wonderful facility the casino is. In fact, it is Western Australia's number one tourist attraction. We have other fantastic attractions such as Margaret River, the Ningaloo Reef, Kalgoorlie-Boulder and the wonderful goldfields region. We have many magnificent tourist attractions. However, in terms of the sheer number of people who visit any one attraction, Burswood Casino is the winner. It is in all of our best interests to have on our doorstep a tourist attraction that is first-class and capable of attracting international visitors from all over the world. To achieve that, Burswood Casino has to raise capital from time to time, and the removal of the 10 per cent cap on ownership will lend itself to profitable and beneficial capital raising for the casino.

The interesting thing about the shareholding is that not too many of the current shareholders are approaching the 10 per cent limit. When we consider that some of the major shareholders only hold one, two or three per cent of the stock, we have to wonder if there will be a rush for the shares once the 10 per cent cap is lifted. For instance, I am advised that with 9.97 per cent of the issued capital, TPIC Ltd is the major shareholder in Burswood Casino. Presumably, if the 10 per cent cap is lifted - I certainly cannot and will not speak for TPIC - we will see an increase in its shareholding. Similarly, RBC Global Services Australia Nominees Pty Ltd holds 9.27 per cent of the issued capital for Burswood Casino. It is reasonable to assume that it may also wish to increase its shareholding given that it is currently approaching the 10 per cent cap. However, the shareholder list then drops away significantly in terms of the percentage of the company that is held by other parties. The third largest shareholder is Chase Manhattan Nominees Ltd with 3.23 per cent of the issued capital. Australian Mutual Provident Society Pty Ltd holds 3.17 per cent, while Queensland Investment Corporation Management Services holds 2.42 per cent. After that the list drops away significantly into the one and two per cent levels. Presumably, if there were a clamouring of people wishing to increase their shareholdings over time, they would be up around the eight, nine or nine and a half per cent currently. The very fact that 17 of the top 20 shareholders own only three per cent or less of the company indicates that there may not be a massive rush for shares when the 10 per cent cap is lifted. Nevertheless, in this day and age, it is not right to impose caps on what is essentially one of Western Australia's best businesses.

With those few words, I am pleased to support the Bill, which will modernise the way Burswood Casino operates. Interestingly, Burswood Casino has been granted an increase in the number of licences it can have for electronic gaming machines. I understand that the increase in machines, which was approved in October 2002, was from 1 318 to 1 355. I also understand that Burswood Casino is not utilising the allowed increase, but I am sure that it will do so at some stage in the future. On the one or two occasions that I have been to Burswood Casino, I have observed a shift in focus in the inside of the casino. I am sure that you, Mr Acting Speaker (Mr A.D. McRae), would recall that not too long ago there was a terrific little bar inside the casino -

Mr R.N. Sweetman: Not Paddy Hannans?

Mr M.J. BIRNEY: No, but I am told that that is also a terrific bar. There was a terrific little bar overlooking the gaming floor and on the other side of the gaming floor there was a cabaret facility. Both those terrific little socially interactive facilities have disappeared in favour of gaming machines and tables. That is particularly disappointing, as people go to the Burswood Casino for not only gambling purposes but also social interaction.

Sadly and very disappointingly, the management of Burswood Casino has seen fit to wind back both those bar areas overlooking the gaming floor. That is a regressive step. If the granting to Burswood Casino of an increase in the number of licences for electronic gaming machines will ultimately result in less floor space for social interaction, it will not have my support. I would very much like the Burswood Casino management to do something that provides for some kind of social interaction in the area overlooking the gaming floor. I am aware that at the same time the management has set up a nightclub; however, many people in the community are not attracted to nightclubs and would rather sit in a bar overlooking the gaming floor, as they have done for many years, to perhaps have a drink and engage in some form of social interaction. Those two facilities have largely disappeared. I will watch very closely to make sure that Burswood Casino is not simply aiming to bleed people dry through the gambling machines and that it provides for some level of social interaction.

With those few words, the Opposition is very pleased to support the passage of this Bill. We will watch the implementation of this legislation very closely.

**MR C.J. BARNETT** (Cottesloe - Leader of the Opposition) [12.51 pm]: The casino is probably Perth's most significant location for tourism in all its forms. I begin by complimenting the current management of Burswood International Resort Casino. The complex has advanced very strongly over the past five years as a result of an upgrade of facilities and manner of operation. It is a most professional tourism, hospitality, entertainment and gambling venue. That has not always been the case. Burswood Casino has a very chequered history. Its origins were shrouded in mystery and controversy. People would remember Dallas Dempster and the other participants at that stage. The formation of Burswood Casino was the second of the WA Inc deals. The one relating to Northern Mining Corporation NL was the first. Burswood Casino was a major term of reference for the Royal Commission into Commercial Activities of Government and Other Matters. The casino was established and given a special protected monopoly status. The way in which that was arrived at occupied the business of the royal commission for some time. The casino was not established in a proper way in any sense. It was another deal of the Labor Government during the early days of what became known as WA Inc. However, in more recent times - the past five to perhaps 10 years - the casino has operated far more professionally. Some of the more notorious figures are no longer involved and it now operates as a very proper professional business.

There is little doubt that when the Minister for Racing and Gaming, Hon Nick Griffiths, made the announcement about this legislation, I and others were extremely concerned about the circumstances surrounding it. The announcement was made by Hon Nick Griffiths in the upper House on Tuesday, 24 September 2002. It was an announcement made in a hurry and with no warning. The proceedings of the upper House were suspended without notice, and a statement was read in the House announcing a new set of arrangements for the operation of Burswood Casino. It was made late on the Tuesday afternoon. I think from memory it was around 4.30 pm. It was too late for any of the media, including any of the financial media, to have the opportunity to report on it. The announcement also was made after the Premier had left the State, and it omitted one key detail. Many people would consider it the controversial detail; that is, an increase of 200 in the number of gaming machines. It is little wonder there was a high degree of suspicion about these arrangements, given the history of Burswood Casino, the involvement of people such as Dallas Dempster and the proceedings before the royal commission into government business undertakings. A new Labor Government chose to announce renegotiated conditions for Burswood Casino late on a Tuesday afternoon without any notice. The minister simply walked into the upper House and made his announcement. I believe it was deliberately made when the Premier was out of the country and unavailable for comment. It omitted a fundamental detail. The key part of the deal was the granting of a licence for a further 200 gaming machines. Only weeks earlier the Premier had said that there would not be an increase in gambling in Western Australia. I thought, what is the difference between the behaviour of this Labor Government and the behaviour of the Brian Burke Government of the early 1980s? The mystery, secrecy and concealment were exactly the same. However, the secrecy was exposed on the same day as the announcement was made because Burswood International Resort Casino, a listed company, did the proper thing and put out to the Australian Stock Exchange a notification that included the broad details of the agreement reached. It had the honesty to say that a licence for 200 extra gaming machines was to be granted. Burswood did the right thing. It was accountable and open to the Australian Stock Exchange. The minister responsible, Hon Nick Griffiths, was not open and accountable to the Government. We then learnt that one of the players and lobbyists in the lead-up to this negotiated arrangement was none other than Graham Richardson, that famous senator from the right of the Labor Party in New South Wales.

Let us look at the scenario: Burswood Casino; Dallas Dempster; the WA Inc deal; the terms of reference of the royal commission; an announcement made by the now minister late on a Tuesday afternoon; no notification to the media but the announcement simply read to the Parliament; the Premier of the day conveniently on a plane flying to Europe or wherever he went; and the critical factor that would have attracted the most public attention, the granting of an extra 200 gaming machines, being omitted from the minister's announcement but included in Burswood Casino's announcement. It is little wonder that people ask: where is the open and accountable

Government? It is little wonder that on the day of the announcement, I asked what deal the Labor Party had done.

Almost a year went by before we finally saw the legislation brought into the Parliament. The legislation offers things to Burswood Casino that are due to come into effect in September this year. Why did it take this Government almost a year to put an agreement into a legislative form? It is not all that complicated. I would be interested to know what role Graham Richardson played in the renegotiation of the Casino (Burswood Island) Agreement Act.

Mr E.S. Ripper: No role.

Mr C.J. BARNETT: Okay. The Treasurer will have an opportunity to explain who Graham Richardson met with. The Treasurer says he played no role. I want to know which ministers Graham Richardson met with and who he represented. I want to know why Hon Nick Griffiths announced a significant change in policy late on a Tuesday afternoon in the upper House, and why he omitted the detail about the 200 extra gaming machines. Burswood Casino thought it was a matter that should be publicly reported to the Australian Stock Exchange. It is fair and reasonable that the Treasurer explain to this House why those things happened. It smacks of the behaviour of a Labor Government of the 1980s.

I refer to the Bill before us. As the member for Kalgoorlie said, we will support it. We have looked at it and will support it. However, I want to comment on it because I do not think the Labor Party knew what it was negotiating. I do not think it knew what it was doing. The Burswood Casino was established under the Casino (Burswood Island) Agreement Act 1985. Part of that established a property trust. That was done because the establishment of a casino was in itself controversial. The legislation facilitated the introduction into Western Australia of gaming machines and organised gambling on a scale that had not taken place before. We are a fairly conservative population. Most people had fears of the league club-type environment of Sydney and did not want to see that in Western Australia. The legislation was always going to be contentious. A property trust was structured to enable widely held ownership of Burswood International Resort Casino. Mums and dads could buy shares; ownership would be dispersed. No individual group, company or person could dominate what was to be large-scale legalised gambling in Western Australia. That protection was put into the legislation for the public.

In 1997 under the previous Government the business moved from its previous structure of a property trust into a corporatised form and became listed on the Australian Stock Exchange. That was a logical development of the business. The shares in the property trust were transferred to become shares in what was then listed as a company called Burswood Ltd. As part of that process to provide for the widely dispersed ownership and to retain it as a Western Australian business, a 10 per cent cap applied so that no individual or corporate group could own more than 10 per cent of the shares. It was consistent with the principle of the original Burswood agreement. That was the trade off. Burswood Ltd was given a monopoly status, certain privileges and rights and a mandate to run a casino; in exchange it would be a Western Australian company with a dispersed shareholding.

Under the changes negotiated by this Government, changes to the casino tax rate will come into play. I do not have any objection to those. As other members might comment, instead of having a single rate of 15 per cent, the tax is structured in different ways. Three different schedules of tax have been put into place and a distinction has been made between electronic gaming machines, which will now be taxed at 17 per cent; table games, which will be taxed at 16 per cent; and international gambling, which will be taxed at a rate reduced to 13 per cent, reflecting the competitive nature of that industry and the desire to attract a share of it. I do not have any objection to those changes in tax. Presumably it was some part of the trade off; if the Government removed the cap, the company would agree on a high rate of tax. However, I wonder if the Government really struck a good deal for the State of Western Australia. I have no objection as such to those changes in taxation.

The removal of the cap is interesting. Make no mistake that there will be windfall gains. The owners of existing shareholdings, particularly those shareholdings approaching 10 per cent, will find their shareholdings more marketable. They will have a windfall gain; indeed, they may already have had it internalised in the price of the share. Why was the cap there? The cap was there to keep Burswood Ltd as a Western Australian company. I would be interested to know whether the Treasurer expects Burswood to be a takeover target now. I expect that it will be. I would be interested to know what provisions the Government has negotiated to try to keep Burswood as a Western Australian business. Will it simply become a subsidiary of a national gaming house? Did the Government pay any attention to preserving Burswood as a predominantly Western Australian-owned, operated and managed listed company or did it simply throw away the cap in exchange for a small increase in taxes of about \$1 million a year? I want to know what deal the Government struck and what part Graham Richardson played in the striking of that deal.

Mr E.S. Ripper: In all the -

Mr C.J. BARNETT: The Treasurer can speak later.

Mr E.S. Ripper: Let me say this.

Mr C.J. BARNETT: No, I will not let the Treasurer speak at all. I am not interested in hearing him speak. I will hear his response, and when we consider the Bill in detail I will pursue the matter again. I want to know what this Government did to try to endeavour to keep Burswood as a Western Australian company.

I recognise in the greater scheme of things that for a listed company the cap's life is limited. I recognise that the cap is an impediment to the free trade of shares and a limitation on Burswood's ability to raise capital and expand. I therefore do not argue in defence of retaining the cap, but I want to know what, if anything, this Government did to try to retain Burswood as a Western Australian company. This State will lose if Burswood simply becomes a subsidiary of another group and the State loses another listed company.

It might seem contrary to Liberal principles, but from the day I entered this Parliament I have argued for preserving Western Australian companies, not to protect them unnecessarily but to make sure that this State has a corporate structure so that young people, professionals and businesses in this State can deal with major companies. If all the major companies are to be headquartered in Sydney, this State will go the way of Adelaide and Hobart. Unless the Government, whether it be a Labor or Liberal Government, is prepared to use its negotiating abilities to ensure that a significant number of companies remain headquartered in Western Australia, I feel that the State will lose Burswood. It might not happen tomorrow, but I would be interested to see whether this Government even addressed this issue. Ways are available for ensuring that Burswood remains a listed company with no cap but domiciled, managed and presumably majority owned in Western Australia.

I do not want to see Burswood become a subsidiary of a group such as Crown Casino. I would be most interested to hear whether this Labor Government even had the commonsense that Brian Burke showed in trying to preserve that status for Western Australia. That was the major gain. The major issue here is the removal of the cap. That is what the deal was all about. The Burswood owners wanted the cap removed, and why would they not? It is an artificial restriction on share trading. I can accept and would support the removal of the cap, but I would expect to see something else in its place to retain Burswood as a Western Australian company publicly listed on the Australian Stock Exchange. What has this State got left? It has Wesfarmers, Woodside -

Mr J.L. Bradshaw: Alcoa.

Mr C.J. BARNETT: It has its head office here, but it is not publicly listed. The State has BankWest at the moment. However, this State does not have left many companies that are listed in which Western Australians can buy and own shares and which are headquartered and operated in Western Australia. If people go to Adelaide, they will find nothing. If they go to Hobart, they will find it has not had any for 10 years. It is all about building up corporate expertise and having quality people in business who support the arts, sport, education and health across our community. There will still be a casino, but if this Government lets Burswood go, this State will lose. I can see nothing in this Bill that does anything at all to try to keep Burswood as a Western Australian company. I hope that the Treasurer can correct me and show that there is something in the Bill to do that.

The Opposition supports the Bill. We will not try to negotiate state agreements while in opposition because Oppositions do not have the ability to do that, but I find the way in which this matter is being handled less than satisfactory. I have full praise for and confidence in the management of Burswood, but what this Labor Government did was nothing less than sneaky. What possible defence can there be for a minister announcing late on a Thursday afternoon something of major significance to the people of Western Australia and to the financial Press, and then leaving out a key detail of another 200 gaming machines? It is said that the gaming machines must be approved by the Gaming Commission, but will the Gaming Commission go ahead without the agreement of the Government? I do not think so. It knows it has its extra 200 gaming machines, but there was no public discussion and no debate about whether it was meritorious to increase the licensing of Burswood from 1 300 to around 1 500 gaming machines. Maybe it is appropriate, but the Premier, who likes to say pious things about gambling and his attitude, conveniently got on a plane and left the country.

When the Premier was out of the country, Hon Nick Griffiths walked into the upper House and announced a deal with Burswood but left out one key factor - that his Government had agreed to another 200 gaming machines; he neglected to tell the people and Parliament about it. The only way we found out was that the casino operators, Burswood Ltd, did the correct thing under Australian Stock Exchange rules and notified the Stock Exchange. It understood the significance of removing the cap and equally understood the significance to investors of the granting of a licence for a further 200 gaming machines. How could the Government omit that point? How could a minister be so incompetent as to make a three-page statement to the Parliament and leave out one of the three key factors? There were three key issues in this agreement: the removal of the cap, the changes to casino tax rates and the increase in the number of gaming machines. Two of them were announced late on a Thursday afternoon. The other one, which was the increase in the number of gaming machines, was not announced.

This Government has again demonstrated the contempt with which the Labor Party treats Parliament and the public on sensitive issues. Labor is more interested in spin doctoring and media presentation than integrity and publicly presenting the facts. However, we support this legislation. It will pass this Parliament. I hope the Treasurer can assure us that he has negotiated a mechanism to keep Burswood as a Western Australian-owned company, or has he simply given that away? Has he given away what was put in place by a Labor Government in the 1980s and preserved by a Liberal Government in the 1990s? Has he given it away? If he has, I want to know what he has given it away for.

**MR R.N. SWEETMAN** (Ningaloo) [1.10 pm]: Like my colleagues, I support the legislation and am pleased to see it come into Parliament, even though, as the Leader of the Opposition said, it has been some time since Hon Nick Griffiths announced what is contained in this legislation.

Mr J.L. Bradshaw: Not everything was announced.

Mr R.N. SWEETMAN: He announced everything except the increase in the number of gaming machines. I will speak to the legislation initially and reiterate what the member for Kalgoorlie and the Leader of the Opposition said. The biggest amendment contained in the legislation is the lifting of the 10 per cent cap. I take on board many of the things the Leader of the Opposition said. Parliament has every reason to question the announcement made by Hon Nick Griffiths and to ask the minister to highlight why he made the announcement when and as he did. It may have something to do with the announcement being made after the Australian stock market had closed.

Lifting the 10 per cent cap on ownership could be deemed to be price-sensitive information. With the benefit of hindsight, it was a reasonable time to release that information. The market had the rest of that day to consider the information, although there was not much of the day left, the decision having been made at four o'clock on the Thursday afternoon. Investors in the market had the rest of that day, the night and the period before trading began the next day to get their minds around -

Mr E.S. Ripper: It is wrong to keep repeating that. The statement was made on Tuesday, 24 September.

Mr R.N. SWEETMAN: I am happy to stand corrected. To some extent, I am coming to the aid of Hon Nick Griffiths. It made sense to make the announcement after the market had closed, otherwise there may well have been a trading hold on Burswood shares after the minister made the announcement and before Burswood reported to the stock exchange. The way the minister made the information public allowed Burswood to provide the information to the stock market, and that enabled investors to be fully informed before the market started to trade. If that type of information was released while trading was taking place, it would not take much for rumours to run through the market, for the stock to run up 10c or 25c on the news and then to retreat once the information contained within the minister's statement and the release to the stock exchange by Burswood had been digested. It was a good decision to lift the 10 per cent cap.

There are two significant players already on the register of the top 20 shareholders in Burswood. Bill Wyllie is a local, successful Perth businessman. He has a sound reputation in the community and is a generous man. He contributes to various activities and volunteer work in this State. However, that does not mean that people such as Mr Wyllie will always remain significant shareholders. People hold shares for a time and for a variety of reasons choose to dispose of them at a time they deem to be most suitable to them. We cannot make decisions today on the basis that someone with as good a reputation and credibility as Bill Wyllie will always remain a substantial shareholder in the Burswood Casino. Nevertheless, it is a good idea to lift the ownership cap.

If windfall benefits were to be conferred on shareholders by lifting this cap, it is safe to assume it would have happened before now. The news has been in the market for some considerable time. When I attended various dinners, functions, cocktail parties or whatever as a parliamentarian when we were in government, a number of people would inquire what the Government was thinking about a range of issues. The most regular question I was asked was whether the Government would lift the 10 per cent ownership cap on Burswood shares. I said I believed it was inevitable that it would be lifted but that I did not have a clue when that might happen.

The release of the information was done very well. It was not preceded by an increase in the share price of Burswood. Very few people knew about the announcement. Nobody could be accused of taking advantage of leaked information or of participating in insider trading. In that regard at least, the announcement to the public was quite well handled.

The three-tier tax system applying to gaming turnover is a positive initiative. The new chief executive officer of Burswood, John Schaap, and his board have set about restructuring and renewing the Burswood complex. Therefore, it was absolutely imperative to reconsider the existing tax system. Currently there is a flat 15 per cent tax across all gaming revenue. Under this Bill, there will be a three-tier revenue system. Tax on revenue from gaming machines will be at a rate of 17 per cent, on revenue from the tables it will be 16 per cent and on

gambling in the International Room it will ultimately be reduced from 13 per cent to 11 per cent, which is a very good idea.

I made inquiries about the casino from the administration and was surprised to learn that its revenue from gaming turnover had fallen on hard times over the past four or five years. I was staggered to learn that the turnover in the International Room alone was \$20 billion a year four or five years ago. That does not mean that high rollers came into the casino with millions and millions of dollars on them. The \$20 billion was made up of turnover. That means, for example, that if someone went into the International Room at the casino with \$1 million, whether he was playing roulette, blackjack or whatever, every bet constituted turnover. As I said, four or five years ago in the International Room alone, turnover was \$20 billion a year. Turnover has now dropped to about \$6 billion. However, turnover is not necessarily the amount of money that is brought into the casino; it is the amount of money that is bet in a night. A person who had \$1 million to bet in one night would increase or decrease that amount playing roulette, blackjack or whatever. He might bet the equivalent of \$2 million, \$3 million or \$4 million, having taken \$1 million into the casino. He might leave the casino with more or less than the amount he brought with him. The casino pays tax on the amount of money that is generated or taken into the casino and which the casino makes or loses. Tax is not payable on the turnover in the casino.

Because of the proliferation of casinos around the world, not the least of which has occurred on the east coast of Australia, there is now enormous competition for the top end of the gambling sector. Inducements must be offered to get high rollers from Europe, South East Asia and other places to play the games in Australia. That is why there is a specific reference in the explanatory memorandum to clause 3. The explanatory memorandum states -

- international commission business generated by all international players on an incentive programmes, including junkets, premium players and privileged players.

That suggests to me that they must offer free accommodation, meals and subsidised flights or whatever to induce very wealthy players to play the various games at the casino.

Getting away from the legislation, the increase in the 10 per cent cap on shareholding and the change to the taxation system, I want to speak about the establishment of the Burswood International Resort Casino. It started in about 1985-86 and, as the Leader of the Opposition spelt out, had a very interesting history during the 1980s. For a long time much of what occurred in the 1980s shrouded the Burswood complex; it was linked continually with shady dealings and had a very shady past. The Burswood Casino has had a very constructive and positive board since people such as Bill Wyllie and John Schaap became involved with it as either the chief executive officer or in other positions on the board. They have taken the business beyond the Burswood Casino and have totally revitalised the resort complex in addition to extending the parks and gardens outside the Burswood establishment. That is of enormous, even eternal, credit to the CEO and the current board. The total number of full-time, casual and part-time employees at the casino is in excess of 3 000. It is therefore a very significant employer of Western Australians and I am sure it will continue to be so.

The latest refurbishment program, which was completed in, I think, either late 2001 or early 2002, ran to budget of about \$96 million. That has helped to revitalise the resort, which holds many conventions and shows. It has a greater interaction with the Perth community as a consequence of the acknowledgment by the board and management that the complex had to appeal to everybody in the community and that it not be regarded as a place only for wealthy people to enjoy. It has a variety of outlets, including at least half a dozen bar complexes and at least as many restaurants ranging from fast food and takeaway outlets to a la carte restaurants. It is not unusual to see in the takeaway areas and in the emporium, families enjoying the opportunity to relax and take part in fellowship at the Burswood Casino and going home without at all having had an expensive night. The emporium at Burswood is similar to the food halls in the city and other metropolitan areas and it has prices to suit everybody. It is extraordinary that such a significant capital-intensive development as the casino, with its staffing structures and obvious built-in costs, can continue to provide very economical meals and services to everyone who frequents it.

In addition to the complex itself, with its bars, restaurants, gaming houses, function centres, theatres, theatrettes and so on, there is a sporting complex. It has a 27-hole golf course, tennis courts, pools, gyms and all those sorts of amenities. It is therefore a very complete recreational and entertainment resort complex. I was also very pleased of late to note that Burswood had become aggressively involved in packaged holidays, not only nationally and internationally but also within this State. On Monday afternoon on a Skywest Airlines Pty Ltd flight from Carnarvon to Perth I was interested to see a holiday destination brochure in the back of the seat that contained the various specials and packages available linking Skywest with other hotels and motels in Perth. One package included a range of city hotels; I think the Rendezvous Observation City Hotel in Scarborough was

also part of the package. It was interesting to see the way in which Skywest was aggressively going about its business, aided by establishments such as Burswood.

Normally, to give the House an example, the full Y-class economy return fare from Carnarvon to Perth is about \$742. In the holiday promotional package, Skywest advertised a two-night stay at Burswood Casino, including the return flight from Carnarvon to Perth, for \$575. That is significant because the normal Y-class fare and the cheapest room tariff at Burswood would normally cost, on my base estimation, \$1 062. People can now have two nights at Burswood Resort for \$575. That is very significant and again it is an example of Burswood Casino's aggressive marketing of the facilities it has established there. It is a very good thing for people, whether they be from Shark Bay, Exmouth, Carnarvon, Kalgoorlie, Geraldton, Esperance or Albany, to have the opportunity to come to the city and enjoy five-star comfort and all the facilities at Burswood at a very economical rate. It is a rate that people would expect to pay in a backpackers' lodge for a weekend in the city.

Separate from that is the joint venture between Burswood and Mirvac Fini (WA) Pty Ltd. I believe the cleared site for that development is available with earth bunds, which was part of the compaction process. It was a former rubbish tip that Burswood cleaned up at its expense some years ago. I understand that the first part of the development is likely to take place in either the first quarter or first half of next year. That is another positive and it will be more investment not only in that area but also in Perth. The sooner that fairly unattractive expanse of earth-developed land is built out, the more attractive the area will become. Obviously, that will be to the benefit of Burswood in that it will have not a captive clientele but a clientele within walking distance of the resort.

I am very pleased to support this legislation. It is a good thing that the amendments have made it into the House and that the Opposition and the Government both support the legislation.

**MR E.S. RIPPER** (Belmont - Treasurer) [1.26 pm]: I thank opposition members for their support of this legislation and for the agreement that has been negotiated between Burswood Casino and the State Government. I particularly thank the Opposition because at the time the agreement was announced, a number of statements were made by the Opposition that were very critical of the negotiations that occurred between Burswood and the Government. At that time I thought the Opposition would vote against the legislation.

I will quote from a newspaper article at the time that gives some idea of the way in which the Opposition was predisposed to respond at that time. The article from "Herd on the Terrace" in *The West Australian* is headed "Spitting chips over loose lips" and reads -

Sometimes politicians might be better served by keeping their lips zipped and counting to 10 before opening them.

Take State Opposition Leader Colin Barnett, for example, after the WA Government unveiled proposed changes to Burswood Casino's operating licence on Tuesday.

Doing what Opposition leaders do best - oppose - Barnett was on the phone in a flash.

Admitting he was yet to see the details of Racing and Gaming Minister Nick Griffiths' plan, Barnett launched into a lengthy spray, attacking the deal as pandering to the whims of big business.

In particular, Barnett was irate at changes he believed were likely to cut taxes paid by the casino to the State by about \$13 million over four years.

This is where the article gets particularly interesting, Madam Deputy Speaker, because it reads -

Half an hour later, a Barnett staffer rang back and sheepishly asked if we could discount some of Barnett's comments.

After getting hold of Griffiths' statement, Barnett had realised the changes would actually increase the State's tax take by \$13 million, she said.

Mr C.J. Barnett: That is right. What time did the statement come out?

Mr E.S. RIPPER: The Leader of the Opposition would not take interjections from me, therefore he must stay silent. I will not take them from him if he will not take them from me.

Mr C.J. Barnett: All right, as long as you answer all the questions.

Mr E.S. RIPPER: We have an Opposition and a Leader of the Opposition that were very negative about any discussions that might have occurred between the State Government and Burswood Casino. The Leader of the Opposition was predisposed to attack them before looking at the facts. I interpret the Leader of the Opposition's speech in this debate as being something of a backward apology to people in the business community for the way in which he flew off the handle at the time the announcement on the negotiations was made. It is clear that the Liberal Party has had some discussions with people in the business community. It has clearly had second



thoughts about its initial response. I am glad to see that it now supports the legislation before the House. The Leader of the Opposition cannot quite let go of his initial reaction. His speech was a combination of a repeat of his initial reaction and some excuses for it. It was all to do with the nasty Labor Government. He said he was suspicious of the Labor Government and that is why he said those things. He said that he now realises that the negotiations were conducted in the proper way and the Opposition is prepared to support the agreement.

The Leader of the Opposition persisted in his speech with statements to the effect that the announcement was made on a Thursday afternoon. The announcement was made in the Legislative Council on Tuesday, 24 September 2002, at 3.37 pm.

Mr C.J. Barnett interjected.

Mr E.S. RIPPER: I have broken my rule. I have taken an interjection from the Leader of the Opposition. It shows how soft, accountable and accommodating I am that, not five minutes into my speech, I have broken my rule.

Mr R.N. Sweetman: It was not a good rule.

Mr E.S. RIPPER: That may be the case, member for Ningaloo.

On Monday, 23 September 2002, the Cabinet gave its approval for the drafting of the Bill before us. It was proposed to make the announcement on the following Wednesday. We have to bear in mind that Burswood has obligations to the stock market and the Government has obligations to the Parliament. It was proposed that both sides would make announcements to their respective accountability institutions on the Wednesday. However, the Government was advised that Burswood had changed its plan and intended to make its release to the stock market on the Tuesday. Consequently, the Government had to bring forward its announcement to the Tuesday so that it did not have the circumstance in which the stock market was advised the day before the Parliament was advised. That is all there is to it. The cabinet decision was made on the Monday and the Burswood and government announcements were made on the Tuesday. Conceivably, the announcement could have been made on the Wednesday. I think it is a good thing that the announcement was made on the day after Cabinet made the decision. If the Government had delayed making the announcement for a week, 10 days or a month following the cabinet decision, the Opposition would have asked why the Government made a secret decision and did not give the information to the community. The decision was made on the Monday to approve the drafting of the legislation and it was announced on the following Tuesday.

Mr C.J. Barnett: On that theory, why was the announcement about the additional 200 gaming machines for Burswood excluded?

Mr E.S. RIPPER: That is an interesting point; I will cover it. This Government has proceeded with the issue of the number of gaming machines in precisely the same way as the previous Government. The previous Government made an announcement following an agreement with Burswood in 1997. The agreement covered by the legislation before the House today does not deal with the number of gaming machines.

Mr C.J. Barnett interjected.

Mr E.S. RIPPER: If I may be allowed to continue. A decision to increase the number of gaming machines has not been made. That decision is to be made by the Gaming Commission. In December 2002 the Gaming Commission announced approval for the number of gaming machines at Burswood Casino to increase to 1 355. In March this year Burswood Casino increased the number of machines to 1 345. It has subsequently reduced the number of machines to 1 286. The Government has indicated to Burswood Casino that it is a matter for the Gaming Commission. The Gaming Commission makes its decisions on the basis of harm minimisation and surveillance and security issues. The Government has indicated to Burswood Casino that the Government will not oppose a decision by the Gaming Commission to increase by 200 the number of gaming machines permitted at the casino.

Mr C.J. Barnett interjected.

The DEPUTY SPEAKER: Order!

Mr E.S. RIPPER: I refer to a letter dated 10 May 2000 signed by Hon Norman Moore. It shows that the previous Government had exactly the same approach. The letter is addressed to Mr Ed Posey, the Chief Executive Officer of the Burswood International Resort Casino. It states -

Dear Ed

**PROPOSED \$75 MILLION EXPANSION PROGRAM**

I am pleased to advise of my approval for Burswood Nominees Pty Ltd, as Trustee of the Burswood Property Trust, to proceed with the revised plans submitted for the \$75 million expansion program. The notice of Ministerial Approval is enclosed.

The letter contains a few paragraphs that relate to what was going to be done. I will quote another paragraph because it indicates exactly how these matters are handled, by both the present Government and the previous Government. It states -

I confirm that the expansion does not involve an extension of the main gaming floor area and that the final number and layout of gaming machines and tables is a matter for the Gaming Commission of Western Australia to determine, having regard to harm minimisation, surveillance and security considerations.

In other words, the previous minister adopted the same approach to the number of gaming machines and discussions with Burswood as has been adopted by this Government. The previous minister's approval was required for an expansion plan. Hon Max Evans also gave approval for the corporatisation of the Burswood property trust arrangements. The ways in which those matters were handled are very similar between all the ministers involved.

I will talk about the fundamental issue. The ratio of gaming machines per 1 000 people in Western Australia is 0.89. In New South Wales the ratio is 19.9; in Victoria, 8.02; in Queensland, 14.63; in South Australia, 13.37; in Tasmania, 9.62; in the Australian Capital Territory, 20.32; and in the Northern Territory, 10.32. Averaging out those figures for the jurisdictions, across the nation the average is 13.27. In Western Australia the ratio is 0.89. The ratio was 1.03 per 1 000 people in 1990. The population of this State is growing. If we were considering the matter fairly, we would expect an increased demand for entertainment and gambling services of all types from a growing population. It is reasonable to consider this in the context of a ratio of gaming machines to population. In 1990 there were 1.03 electronic gaming machines per 1 000 people in the State. At the moment there are 0.89 gaming machines per head of population in the State. If we had the same ratio that we had in 1990, there would be an increase to 1 500 gaming machines.

Mr C.J. Barnett: I don't object to the 200 machines.

Mr E.S. RIPPER: That is very interesting. The Leader of the Opposition does not object to an additional 200 machines. In that case, the Leader of the Opposition has the same policy position as the Gallop Labor Government. The Government also said that it would not object to 200 additional machines. However, it said that it would be up to the Gaming Commission of Western Australia to make the decision, and that is exactly the way in which the Government is approaching the matter. The Leader of the Opposition has a prejudice against the casino and against Labor Governments and their dealings with businesses. He thinks that any arrangement and any negotiation between a Labor Government and a business organisation must, by definition, be suspect. In adopting that attitude, the Leader of the Opposition insults the businesspeople of this community, because they do not engage in negotiations with the Government on a suspect basis. Obviously, I have more respect for our business community than does the Leader of the Opposition.

Mr C.J. Barnett: We will see what happens tomorrow.

Mr E.S. RIPPER: Tomorrow?

Mr C.J. Barnett: Yes. Will you be here?

Mr E.S. RIPPER: Yes, absolutely, with bells on.

I was thrown by that last interjection. Some other issues were raised with me. I will deal with the absolutely damning allegation that has been made by the Leader of the Opposition. We are quaking in our boots because this allegation has been made: a minister in the Government met with Graham Richardson. What a terrible thing for someone to do! A senior representative of a major Australian business came to Perth and wanted to lobby the State Government, and a state government minister actually met with this person. Horror; shocking! What a terrible thing to do! The lobbyist, Graham Richardson, or the representative - it is a bit hard to describe him as a lobbyist, because I believe he is an employee of the organisation in question, and has been for many years, so he is perhaps not best described as a lobbyist - met the Minister for Racing and Gaming at 1.00 pm on 22 March 2002. I did not get that information from the Minister for Racing and Gaming; I got it from the third person who was at the meeting, and the third person who was at the meeting was Mr Barry Sargeant, the Director General of the Department of Racing, Gaming and Liquor. I am advised that at that meeting Mr Richardson put forward his points of view on matters of interest to his company. He was listened to -

Mr C.J. Barnett: Whom was he representing?

Mr E.S. RIPPER: I understand he is an employee of Publishing and Broadcasting Limited.

Mr C.J. Barnett: And what did he ask for?

Mr E.S. RIPPER: I was not at the meeting. However, I understand that he put forward his company's views on matters that were the responsibility of the Western Australian Government. He was listened to, as companies

wanting to do that are listened to in this State. No agreements or commitments were made. That was the end of his involvement in the matter.

What we are seeing from the Leader of the Opposition is classic. Even if the Leader of the Opposition agrees with a decision that the Government has made, albeit with his arm twisted behind his back by the other members of his party room after significant lobbying and pressure from the business community, he still must say that the process was wrong, the wrong people were met, or there must be something suspect about it because a person whom he does not like agreed, or might have agreed, with the position adopted by the State Government.

I will give the House an example of why that sort of argument is wrong. In my electorate is a person who migrated from Austria years ago. He came to talk to me about some ideas that he had for the way in which industrial relations in this State should be organised. We got on to his experiences in his native country and the politics there. He made an amazing statement. He said to me, "You know, Hitler gave us annual leave." I was stunned that someone was sitting in my electorate office with a positive thing to say about Hitler. I raise this anecdote for a reason: because Hitler supported annual leave, does that mean that a Government agreeing to annual leave provisions is somehow suspect, wrong or bad? We cannot damn a certain position because someone we do not like, or is bad or evil, has supported that position. We must examine matters on their merits. The Leader of the Opposition, with his arm twisted behind his back, has examined the position on its merits, he supports the agreement, and the party that he leads will vote for this legislation. However, because there was one meeting with Graham Richardson at which there was no negotiation -

Mr C.J. Barnett: What did he want?

Mr E.S. RIPPER: He put his point of view about -

Mr C.J. Barnett: About what?

Mr E.S. RIPPER: - how he thought matters should be organised in Western Australia.

Mr C.J. Barnett: About what?

Mr E.S. RIPPER: He was meeting with the Minister for Racing and Gaming, so I imagine he was talking about racing and gaming legislation and matters in Western Australia. He may well have had a point of view about the casino.

Mr C.J. Barnett: What was it?

Mr E.S. RIPPER: I was not at the meeting. In fact, his view is totally irrelevant, in the same way that it is totally irrelevant whether Hitler supported or opposed annual leave from the point of view of whether annual leave is a good or a bad thing. I happen to believe that annual leave is a good thing, and the fact that Hitler also thought it was a good thing does not dissuade me from my support for annual leave. I hope that the Leader of the Opposition will also take the same attitude on the merits of this agreement. I can see what the Leader of the Opposition wants to do. He is trying to muddy the waters. He has a prejudice that somehow or other the Gallop Labor Government will have suspect dealings with business. I can tell members one thing: this Labor Government will be and has been perfectly proper in all its negotiations and relationships with business. That is a hallmark of this Government. If the Leader of the Opposition continues to devote energy to that false stereotype, he will simply be wasting his time, because the Government will never give the Leader of the Opposition any evidence of wrong or inappropriate dealings with business.

Mr C.J. Barnett: Will you conceal it?

Mr E.S. RIPPER: There will be no evidence because there will be no inappropriate or wrong dealings with business.

The other issue that was raised was the Western Australian status of Burswood Ltd. The Government has not changed those aspects of the agreement that relate to Western Australia. The company must have its head office in Western Australia. Two-thirds of the directors of the approved company must be Australian citizens. At a meeting of the board of directors, the director presiding at the meeting must be an Australian citizen. The company is prohibited from taking any action to become incorporated outside Australia and so on and so forth. Those provisions, which are in the agreement, will not be affected by the legislation before the House.

Mr C.J. Barnett: Is there anything to prevent Burswood Ltd from being acquired by, say, another casino operator and being de-listed? You know the answers. Is there anything to stop it being acquired by Publishing and Broadcasting Ltd?

Mr E.S. RIPPER: That is an appropriate question for the House to consider during the consideration in detail stage. Because of the way in which the question has been phrased, I would need to study the agreement in more detail. An adviser will be present during the consideration in detail stage and we will then be able to go over that matter. The important point for the Parliament is that the Government has not changed those arrangements. If

the Leader of the Opposition thinks that there should have been different arrangements to preserve the Western Australian status of the company, why did neither Minister Norman Moore nor Minister Max Evans do something about it when they negotiated with Burswood?

Mr C.J. Barnett: Because they didn't remove the cap.

Mr E.S. RIPPER: The Government has not changed the provisions that require Burswood Ltd to have its headquarters in Western Australia.

Mr C.J. Barnett: You don't get it.

Mr E.S. RIPPER: I understand the point the Leader of the Opposition is making. The Government has removed the cap. How did the cap prevent non-Western Australian ownership of shares in the casino? The cap did not say that a person could not own more than 10 per cent of shares in the company unless he was a Western Australian. The cap just said that a person could not own more than 10 per cent of shares unless a ministerial exemption was granted.

Mr C.J. Barnett: Don't you get the basic point?

Mr E.S. RIPPER: I do not get the stupid arguments of the Leader of the Opposition. He has raised furphies in this debate. The same clauses are in the agreement with regard to Western Australia -

Mr C.J. Barnett: If you can't own more than 10 per cent of shares, you can't acquire compulsorily under Australian Stock Exchange rules.

Mr E.S. RIPPER: The same rules regarding Western Australian status are in the agreement. The Government has removed the cap. It is up to the Leader of the Opposition to explain his unlikely scenario in which, somehow or other, the requirements for the headquarters of the company to be located in Perth or for the majority of directors to be Australian citizens are changed and so on and so forth.

The Government has dealt with all the issues that needed to be dealt with in this response to the second reading debate. I am delighted that the Liberal Party has seen sense. I am delighted that the Leader of the Opposition has been rolled in his party room and that the Liberal Party will now support this legislation. That should have happened right from the start. This has been a proper, fair negotiation with a fair and reasonable outcome for the taxpayers and people of Western Australia. I regret that there has been a further demonstration of the prejudices of the Leader of the Opposition about the way in which business and the Government in this State interact. He might think that his prejudices insult only the Labor Government, but they do not. The expression of his prejudices insults all people in our business community in Western Australia

Question put and passed.

Bill read a second time.

#### *Consideration in Detail*

##### **Clause 1: Short title -**

Mr C.J. BARNETT: Clause 1, on the short title of the Bill, allows a little scope for debate. As such, I seek to clarify the short title of the Casino (Burswood Island) Agreement Amendment Bill 2003. During the second reading debate the Treasurer made reference to a meeting between the Minister for Racing and Gaming, Hon Nick Griffiths, and Graham Richardson, a former Senator, who is an ALP lobbyist and employee of Publishing and Broadcasting Ltd. I simply ask that the Treasurer now take this opportunity to explain exactly what Graham Richardson sought from the Minister for Racing and Gaming when he met with him prior to this matter going before Cabinet.

Dr G.I. Gallop: God you're hopeless!

Mr C.J. BARNETT: I just want to know what Graham Richardson wanted before this matter went to Cabinet. It is a fair question.

The DEPUTY SPEAKER: Clause 1 relates to the short title. The scope of the debate is clear. The question is that clause 1 stand as printed.

Mr C.J. BARNETT: Sorry, Madam Deputy Speaker, but the Treasurer has not responded to the question.

The DEPUTY SPEAKER: I think he has chosen not to.

Mr E.S. RIPPER: I was just getting advice. I was not present at the meeting, but I am advised that Mr Richardson expressed -

The DEPUTY SPEAKER: Treasurer, I will allow a short answer, but we are dealing with the short title.

Mr E.S. RIPPER: If the Deputy Speaker rules the question out of order, I will sit down.

The DEPUTY SPEAKER: My advice to the Chamber is that we are dealing with the short title. The scope of the debate is within that context. That is my ruling.

Mr C.J. BARNETT: Given that the title of the Bill is the Casino (Burswood Island) Agreement Amendment Bill 2003, did Hon Graham Richardson, as part of that agreement, raise with the Minister for Racing and Gaming his desire that the cap on shareholdings of 10 per cent be lifted? Did he put forward that that should be part of the agreement that was to go before Cabinet? It is a straightforward question. Graham Richardson met with the minister prior to this matter going to Cabinet. The issue I presume he would have raised was the removal of the cap, because that was potentially of commercial interest to Publishing and Broadcasting Ltd. PBL may well be a possible acquirer of Burswood Casino.

The DEPUTY SPEAKER: Treasurer, that is a tenuous connection. I will allow you to answer in the context of this clause.

Mr E.S. RIPPER: I was not present at the meeting, but I am advised by someone who was present that Mr Richardson expressed to the Minister for Racing and Gaming the synergies that would flow if Burswood became part of the PBL family.

The DEPUTY SPEAKER: Thank you, Treasurer.

Debate interrupted, pursuant to standing orders.

[Continued on page 9880.]