

CASINO (BURSWOOD ISLAND) AGREEMENT AMENDMENT BILL 2003

Second Reading

Resumed from 14 August.

HON BARRY HOUSE (South West) [12.01 pm]: The Opposition supports this Bill. I will spend a few minutes retracing the history of the Burswood International Resort Casino. For me, the history of the casino goes back to 1970, when I was a university student living in King George Street in Victoria Park. The pride and joy of my life at the time was an old, black FJ Holden that I had purchased when I worked for a year before returning to university. It was stolen one day and I duly reported it to the police. The next day the police telephoned me and told me that the car had been found at the rubbish dump in Burswood. It had not been damaged significantly, but some hoons had hot-wired it, which is easy to do with those old cars. They had done some bog laps in the rubbish dump and when it ran out of petrol, they left it there. My lasting impression, besides getting my car back, was the rubbish dump at Burswood. It was a smelly, messy, dirty, pretty ordinary place to be. Obviously, it has improved out of sight over recent years. It is now the site of the Burswood complex.

Members will all acknowledge that the casino has had a chequered and controversial political history over the years, which, as far as Parliament is concerned, culminated in 1985 when an agreement Act was introduced into Parliament at the height of the Burke Labor Government era. Members know the history of that. It was one of the major controversies at that time, which featured prominently in the royal commission of later years. The legislation was discussed up and down the terrace and in the community. That was an important piece of legislation because it was the vehicle used to establish the first legal casino in Western Australia. That was significant because no legal casinos operated in Western Australia at that time. The Burswood complex has moved through other stages since then. In the past, it has been owned by Dallas Dempster, Genting and Victoria. There were some cost overruns and then it was restructured into a property trust and corporatised. It is now a listed company. It now has very diverse ownership whereby no organisation has more than 10 per cent control of it. A well-known Western Australian, Bill Wyllie, is one of the major shareholders - I think he is a director of Burswood these days.

In the past five or six years major, positive changes have been made to the Burswood management and to Burswood's image. From what I have seen and experienced, I have developed the utmost respect for the general manager of Burswood, John Schaap, and his team for the changes they have implemented to all facets of Burswood's operations. Over the past few years about \$96 million has been spent on upgrading the facility. Improvements were made to the casino, the hotel, the convention centre, conference facilities, ballrooms, function centres, restaurants, bars, entertainment areas and the grounds. These days it is a major recreation facility with pools, tennis courts and a golf course. This is an opportunity to congratulate the Burswood management for what it has done to the complex over recent years. Management has got its act together and put in a lot of capital and hard work to significantly improve the facility. Indeed, it is now Western Australia's major tourist attraction, and there is more to come.

Construction is about to commence on a second major intercontinental hotel. The Mirvac Fini (WA) Pty Ltd development that is proposed to proceed very shortly on the old Swan Portland Cement site, which is adjacent to Burswood and is a bit of an eyesore, is a very exciting development for that part of the city. I understand that that will be a residential village complex and will accommodate about 3 000 people when it is completed over the next eight to 10 years. I am sure that will become a much-sought-after area in which to live. Planning is under way to redevelop the Burswood Dome site, which I will talk about later.

The Burswood complex, the Graham Farmer Freeway, the Belmont Racecourse and other riverfront improvements have helped provide that area of Perth with a major facelift. It is one of the major entrances to the City of Perth from the airport and has become a very significant part of the aesthetics and function of the city. Members know that it is the major tourist attraction in Western Australia. All members get very parochial about these things. Of course I am parochial about Margaret River and the south west because I am heavily involved in its tourism. All members are justifiably proud of the tourist product that our electorates provide. However, we must all acknowledge that the Burswood Casino is the State's major tourist attraction. It is the major tourist attraction for residents of Perth and it is the major destination for people from other parts of Western Australia. Skywest Airlines Pty Ltd is working in conjunction with the Burswood Casino and other facilities in Perth to provide packages for people from the north western mining areas of the State. People from my part of the State readily access Burswood because of its attractions. As an interstate venue, Burswood is vitally important to the State's infrastructure. I am told that even Sam Newman is welcome there these days. It is one of the major focal points for overseas visitors and one of the major reasons they visit a State like Western Australia. That is the physical side of Burswood resort or Burswood Island. I have never been sure whether Burswood is or was ever an island. However, it is a term we all use. It is hard to fault the major improvement at Burswood over the past 20 years.

This legislation covers the administration, governance and business aspects of Burswood's transformation over the years. The Bill puts into effect changes to the agreement Act that the Minister for Racing and Gaming announced to the world in a ministerial statement on Tuesday, 24 September 2002 at 3.37 pm. I mention the precise time because it was a point of particular interest for members in the other place and it has remained something of a point of interest.

Hon Nick Griffiths: The other place does not seem to recognise this House very much. It should have regard to the fact that we commenced sitting on that day at 3.30 pm. When the time came for ministerial statements to be made, the ministerial statement was made.

Hon BARRY HOUSE: I am sure the minister will be pleased to know that I will not labour the point. To put the record straight, if necessary, I will ask the minister when he responds to the second reading debate to make a couple of points on that announcement and a couple of other points. That will give the minister the opportunity to put on the record exactly what happened, why it happened and so on. I will outline a couple of aspects that I would like the minister to respond to on the record and for Hansard to record. The first is why the announcement was made in that way with no forewarning for the media and with the Premier out of the State. I understand that the timing had a lot to do, justifiably, with the fact that Burswood Ltd was making a statement to the stock exchange at virtually the same time. It was a method of avoiding speculation in the trading of Burswood shares, which is perfectly legitimate. The minister would have been criticised had he done it in another way.

Hon Nick Griffiths: After the stock exchange had closed, I held a media conference before I made the statement to the House. Had the House sat at 2.00 pm, I would have made the statement to the House first and then conducted the media conference. One is mindful of not allowing people to enrich themselves by speculating in the shares of public companies.

Hon BARRY HOUSE: I would like the minister to outline in his response why it has taken so long since the announcement - 11 months - to get legislation into the Parliament. I understand that there is a perfectly legitimate time line. Burswood has its annual general meeting in October. It would therefore like this legislation sorted out and passed.

Hon Nick Griffiths: Would it be easier if I responded very briefly to that by way of interjection without being too unruly?

Hon BARRY HOUSE: Yes.

Hon Nick Griffiths: Agreement was reached with Burswood and the announcement was made. Two lots of lawyers were then involved in dotting the i's and crossing the t's. That is essentially why it took so long.

Hon BARRY HOUSE: Lawyers are a pest, are they not?

Hon Nick Griffiths: They are not a pest; they are very useful. That is the reason the matter was not dealt with earlier. You will see that most of the black letters in the Bill are by way of amendments to the agreement, not the clauses. That is what the lawyers were involved in. I wish they had taken a lot less time, but that is life.

The DEPUTY PRESIDENT (Hon Simon O'Brien): Order! Hon Barry House has the call.

Hon BARRY HOUSE: To set the record straight, I would appreciate it if during his response to the second reading debate the minister could outline very clearly the role of the former senator, Graham Richardson, who is now an employee of PBL, the Packer group. I understand the minister was at the meeting with Graham Richardson. He is therefore in the best position to tell us what was discussed and the sequence of events of meetings, subsequent announcements, legislation and so on. That is all I want to raise at this stage. I want to give the minister the opportunity of clearing up any speculation that might arise as a result of those meetings.

I do not want to criticise in any way, but in fact support the way in which the announcement was made. So often in this place we find that the Parliament is the last place to be informed of something that is happening or a decision that is being made. We are fairly critical of many things that are orchestrated and stage managed through the media before any announcement is made to the Parliament of Western Australia. In this case an announcement was made and the media were caught off guard. They were probably a bit miffed that they had not been informed. That is a good thing and it should happen more often.

Hon Nick Griffiths: That is not quite right. Perhaps I will make clear the sequence of events on 24 September.

Hon BARRY HOUSE: Yes.

I want to spend a few minutes on the detail of the Bill. The Bill provides for a change to casino tax rates. It replaces the current casino tax rate, which is a flat 15 per cent of gross turnover, with a three-tiered system. The three-tiered system is aimed first at electronic gaming machines. It allows an incremental increase up to 20 per cent over the next few years. On table games, which include keno, it allows for an incremental increase up to 18

per cent over the next couple of years. On international commission business it allows for a decrease to 11 per cent on a sliding scale over the next couple of years. It is important to understand the reasons and rationale for that. We acknowledge that the Government had a right to increase the rate by one per cent per annum in the original agreement. I think I am right in saying that.

Hon Nick Griffiths: Yes. It was subject to arbitration. Notice could be given but, if I may put it in general terms, if that was likely to seriously damage the situation, it would be subject to arbitration. What has taken place is to introduce certainty.

Hon BARRY HOUSE: The rationale for the rate for table machines being slightly less than that for electronic gaming machines is that more people are employed in the operation of table games. That is a very legitimate reason for favouring the tax rate on table games over that of electronic gaming machines. Decreasing the international gaming business tax rate to 11 per cent over the next couple of years will allow Burswood to compete on a more even footing with other casinos around Australia. When Burswood started 18 years ago, it was one of very few casinos in Australia. I well remember back in 1972 being in Hobart to play cricket, I think, when the first casino in Australia, the Wrest Point Hotel Casino, was under construction. It was a major deal. We saw the tower going up in Hobart and thought it was a brand-new world. A proliferation of casinos has occurred throughout Australia in all capital cities and areas like Launceston, Alice Springs and the Gold Coast, with Jupiter's Casino; incidentally, that is the only casino in which I have made some money when I won \$70 on two-up - I have always put money into someone else's pocket elsewhere. Other casinos in Australia work on turnover tax rates as low as 10 per cent. Therefore, it has become critical to adjust the tax rates to enable Burswood to compete with other casinos throughout the nation. The international commission business is a major money spinner, and that is the area Burswood needs to be given a roughly level playing field to make it viable. I understand the rationale behind that change.

It is worth noting in passing that, as I discovered in discussions with Burswood's management, the reduced tax rate has not borne fruit yet for Burswood as a result of a variety of factors. The international room has fallen on hard times in the previous 12 months or so. Turnover was around \$20 billion, but is now down to about \$6 billion. That is significant, and a turnaround is needed. This decreased business is due to a range of factors, such as international security and SARS - severe acute respiratory syndrome. At a local level, Burswood has encountered a persistent losing streak with a couple of major gaming clients, but, on the law of averages, that situation should turn around over time.

The Government can increase these tax rates after 2009 by one per cent per annum on table games and up to 20 per cent on the international commission business. The agreement allows for increases beyond 20 per cent thereafter through negotiation and agreement with Burswood. Interestingly, this tax change applies retrospectively from 24 December 2002. I thought the minister would be smiling because this process involves some dollars for the Government.

Hon Nick Griffiths: It's an important anniversary.

Hon BARRY HOUSE: Burswood is liable to pay the State Government additional taxes of \$815 000 up until 30 April 2003. I am interested in having the minister tell us in his response the current figure, which I imagine will be well over \$1 million. This is effectively a healthy cash windfall for the State Government to help it balance its books. I do not want to digress because I know you will pull me up for it, Mr Deputy President. However, this Chamber has debated the methods the Government uses to balance its books, such as not spending capital when it appears in the budget as capital expenditure. Of course, the Government's budget has its problems with the black holes of the health budget and the southern railway. Commenting on that would be to digress, and I do not want to do that.

The other major part of this legislation removes the 10 per cent cap for individual shareholders on ownership of the total number of Burswood shares. This was previously lifted from five per cent under the coalition Government when Hon Max Evans was the Minister for Racing and Gaming in 1995. Some accountability and scrutiny is involved with individuals who want to go beyond the 10 per cent cap; that is, they must hold a probity approval notice from the Gaming and Wagering Commission of Western Australia. The rationale is that Burswood wanted the removal of the cap, and had negotiated with the State Government for several years - even before the change in government - in this regard. Burswood wanted the cap removed because it was causing its shares to be undervalued. The change should assist its shares valuation. More importantly, it will allow institutional investors to access a large slab of Burswood shares. Institutional investors deal in large slabs, and the Burswood shares simply were not available very often in those quantities. That restricted the trading of Burswood shares. Institutional investors will find Burswood shares to be more attractive following this change, which will give the Burswood International Resort Casino management and company the ability to raise more capital. As a corollary, it will put Burswood management on notice regarding its accountability and openness. It

has lifted its game already and, in my observations over the past couple of years, it has done very well in this area; I am sure it will continue to do so.

A couple of items did not appear in the ministerial statement of 24 September 2002 and the subsequent legislation. When reading the Bill, one could be forgiven for thinking there was no connection. Of course, there are a couple of connections. I hope the minister will clear up a couple of matters for us during this debate. An announcement was made that 200 extra electronic gaming machines would be made available at Burswood. I must ask: was it a mere coincidence that this was not mentioned in the ministerial statement? Burswood made a statement to the Australian Stock Exchange that it would apply soon for an increase in the number of gaming machines it operates, and this was granted, I think, on 9 October last year. Was that just a slip of the pen or was it a deliberate omission? In other words, was the Government trying to hide something because of the sensitivity of the topic of poker machines in the wider community?

Hon Nick Griffiths: We know there are no poker machines at Burswood, although the media does not seem to understand that.

Hon BARRY HOUSE: We know that Burswood does not have poker machines by the strict definition - it has electronic gaming machines. However, that distinction is lost on most people. People go to Burswood and think they are playing pokies. It is a subtle difference. Burswood would rather have pokies than what it has at the moment. We are really splitting hairs when we talk about the difference between the machines at Burswood and straight-out poker machines. It is a very sensitive debate about whether pokies or electronic gaming machines should be extended into the wider community in Western Australia through pubs, clubs and other community organisations. I do not advocate that, because I do not think there is a political or commercial appetite for it to happen in Western Australia. It sets Western Australia apart from the other States and it is a very healthy situation. A lot of organisations would like it to be different, but on balance that bipartisan position has been accepted in Western Australia over the years.

Hon Jim Scott: Tripartisan.

Hon BARRY HOUSE: Tripartisan or multipartisan. That position will probably continue for the next few years. Burswood's gaming machine permit was increased to approximately 1 500 machines, but at the moment not all of that extra capacity is used, which is also to Burswood's credit. Burswood instead has elected to tidy up its gaming floor and provide a bit more space and more amenities for customers; it is not using its full gaming machine capacity. Instead the casino has preferred to provide improved surroundings for its patrons, which is commendable. Machines are not packed in mercilessly, as one would probably see in a leagues club or some other places in Australia, just to get revenue.

The other issue that was not mentioned at the time - at least, not significantly - and was not included as part of this agreement was the future of the Burswood Dome or, more importantly, the future of the Hopman Cup in Western Australia. The Hopman Cup is closely tied to the Burswood Dome because that is where it has been centred for many years. Many of us were probably looking for some security in this agreement for the Hopman Cup. Obviously that was not possible at the time. Burswood has future plans for the dome. It is quite a costly facility and does not pay its way. We all understand that it will have to be revamped in the future. However, the important thing for Western Australians is that the Hopman Cup is secured for Western Australia. There is a bit of angst in the community that the Hopman Cup has not been secured beyond the next couple of years. We were all looking to the new convention centre as the site for the Hopman Cup, but my understanding is that tennis cannot be hosted in that centre, which is disappointing. I do not mind how it is achieved, but the Hopman Cup is important to Western Australia. The future of the Hopman Cup was not secured as part of this agreement and we are looking to the Government to come up with a solution, in conjunction with private enterprise, so the Hopman Cup is secure in WA.

Hon Derrick Tomlinson: Is the minister prepared to tell us whether the Government is prepared to commit to a facility on the site alongside the State Tennis Centre at Burswood?

Hon BARRY HOUSE: The minister has a great opportunity to do that in his response, and I certainly hope he does.

Hon Nick Griffiths: I will be sticking to the Bill.

Hon BARRY HOUSE: The Bill does not cover it; that is the point I am raising. It is very important to the future of Western Australians.

The Opposition supports the changes to the gaming taxes for Burswood Casino, which should improve its viability and its future prospects. It should be good for Western Australia. I am told that it will be better for Western Australian taxpayers because of the revenue that will be derived. We know of the cash windfall of \$815 000 as of 30 April as a result of these changes. That has to be well over \$1 million by now. In his response, I would appreciate the minister telling the House of future projections so we can get a better handle on

the revenue to the State over the next few years compared with what it would have been under the current 15 per cent tax rate. The Opposition also supports this legislation on the understanding that the Burswood precinct is maintained as the major gaming precinct in Western Australia. The Opposition does not support the proliferation of electronic gaming machines in the wider community. There is no political or community appetite for that to occur. The fact that Western Australia has stood apart from other States is commendable and should be supported by all parties in Western Australia, and I think it is.

As the shadow Minister for Racing and Gaming, I visit various sectors of the industry. I am sensitive to the view of other sectors of the industry. When the announcement was made in September last year other sectors said, "That's fine; the Government has looked after Burswood, but what about us?" That is reasonable. Hotels, clubs and the racing industry all struggle in their own way with viability and government regulation and tax rates. They are aware that their position can, and should, be reviewed over time and renegotiated with government. We should be sensitive to those other sectors as well as Burswood. We must ensure that we do not destroy other sectors by making sure that a major tourism gaming precinct in Western Australia is given the opportunity to be viable and improve its management structures to cater for the modern world.

In summary, the Opposition is pleased to support the Bill. It believes that, on balance, the Bill is fair and reasonable for Burswood Casino and Western Australian taxpayers. By way of a general statement, I believe it is time we put aside our view of Burswood Casino and some of our commentary about its turbulent history and political past, and see where it has come from in the past five years and what it now represents to Western Australia. The State Government and the community should look to working with Burswood Casino and acknowledge the sort of business it is. By and large, it is a business of which Western Australians should be proud. Burswood Casino has certainly got its act together in a very good way and is contributing significantly to the entertainment of Western Australians and the economy of Western Australia. The Opposition supports this legislation.

HON JIM SCOTT (South Metropolitan) [12.39 pm]: The Greens (WA) are probably not among the greatest fans of casinos because of the usual association of casinos with all sorts of social impacts, such as problem gamblers, petty theft and robbery committed by people who get into trouble with gambling, prostitution and money laundering. Those sorts of issues have been associated with casinos around the world. My perception of the Perth casino is that successive Governments and the operators of the casino seem to have limited those impacts. However, there are still problem gamblers, who become a liability for taxpayers in this State when they cannot feed their families and so on. We should always be mindful of that impact from these operations. As Hon Barry House pointed out, Burswood Casino is not just a casino these days. It has become a focal point for all sorts of conventions, sporting functions, the arts and other areas of entertainment in Western Australia. Although I have not been a customer on any of the gambling tables, I have certainly been to Burswood Casino for other types of entertainment - not the prostitution side of things either, just in case members were wondering. I meant of the theatrical variety.

Hon Derrick Tomlinson: Do you mean that prostitution is available at Burswood Casino?

Hon JIM SCOTT: All I am saying is that that area of enterprise seems to be attached to many casinos. I also personally loathe the one-armed bandits. I find them mind stultifying. However, they bring enjoyment to some people; if that is what they like and is the way in which they want to spend their lives, I am happy for them to do that.

Some of my questions about the Bill are similar to those raised by Hon Barry House. For instance, what changes to state revenue will flow from these changes? How will this happen through the games? A greater tax will be imposed and some games will be taxed at a higher rate. Does this mean that a lower level of prizes will be offered? Will it cost more to play those games? What will be the impact of these changes? This money must be raised somehow. Is it expected that these changes will influence the types of games that people play? For instance, will people perhaps start to play games that will be more likely to lead them into debt and so on? Was any social impact study done on that issue before this Bill was introduced? Does the minister have any data on how much of the revenue stream from gambling comes from overseas visitors as opposed to local users of the casino? I am happy for the minister to provide that information at a later stage if it is not available today. That issue relates to this turnabout in taxation. If the costs are higher for local users and they contribute the larger amount of money, that main group of customers might be turned off rather than the other customers.

My observation of casinos around the world is that the competition for customers seems to be getting stronger and stronger - Internet gambling is an example. The States dealing with legislation for casinos are becoming more competitive by reducing their take from casinos. If we get into an endless spiral of each State trying to outdo the other, we may end up with a situation that is good for the industry but provides little benefit to the State. I dare say that that is not the case given that this agreement deals with long periods. However, I put on record that it would be detrimental to this State and every other State if we created a competition in which we had to compete with each other by gradually reducing the amount that each State gets from its casinos. I

acknowledge that Western Australia is not as reliant on gambling revenues as other States. A few years ago when I went to a briefing of the Lotteries Commission, I was shocked to hear that Victoria was getting 17 per cent of its gross domestic product from gambling. That made this State look pretty good in terms of its revenue gathering. I would hate this State to get into such a position.

All these things are a matter of balance. The Government is clearly trying to balance things out as best it can and on the best advice. I am happy to support the Bill and hope that those questions can be answered either today or at a later date.

HON NORMAN MOORE (Mining and Pastoral - Leader of the Opposition) [12.48 pm]: I will take a couple of moments to express my admiration for the way in which Burswood International Resort Casino has been functioning in Western Australia over the past 10 years. I had a little to do with it when I was Minister for Racing and Gaming and I suspect that had I remained in that role, I would be bringing before the House similar legislation. Clearly, we need to be seen as actively involved in supporting Burswood Casino. As Hon Barry House said, it is much more than just a casino; it is probably the major tourism facility in Western Australia. Over the years it has provided a magnificent set of facilities for various activities. Gambling is the cornerstone of the enterprise, but it also runs sporting activities with a golf course and tennis centre and it holds conventions and shows that are also very important. When Burswood Casino was established it provided facilities for those sorts of activities that the State did not otherwise have. I was the minister when the decision was made to build the convention centre. At that time Burswood Casino might have decided to spit the dummy and not further develop its facility, bearing in mind that up until that time it was the major convention facility in the State. However, to give Burswood Casino credit, it spent a lot of money - about \$100 million - on the further development of its facility. It has done a marvellous job. In fact, I was there last night to attend a ball that was held by the WA Olympic Council to raise funds for the Athens Olympics. What has been done to the new ballroom is quite outstanding; the facility is second to none. The combination of that and the new Perth convention and exhibition centre, and the potential for a shared ownership of the two, has the potential to make Western Australia a destination for conventions and exhibitions that is second to none in Australia. We are fortunate that the Burswood board decided to spend the money and to operate, as I gather it will do, in consultation with the Perth convention and exhibition centre to provide a wonderful facility for Western Australia. I want to put on the record that I have great admiration for the work that the board is doing. It is heading down the right path. It has provided a wonderful facility for Western Australian tourism and locals, and it is to be commended. I have great admiration for Mr John Schaap, the managing director, who works well with the board. As I said, it is heading in the right direction for Western Australia. The board is to be commended, and this Bill will go some way towards ensuring that it has a positive and successful future.

I am very much aware, as Hon Barry House said, that times are tough in the gambling business. The circumstances that Burswood Casino finds itself in are quite different from those of the 1980s, when there were few casinos and Burswood had a significant share of the overseas junket market. I concur with Hon Jim Scott's comments - I do not often agree with him - that competition between the casinos to engage in a bidding war to see who can make the greatest reduction in taxes could be a disadvantage to not only Western Australia but also the other States. That is one of the reasons I was a little bit concerned about Hon Nick Griffiths' decision to reduce the tax on the racing industry without contemplating what it would mean in the overall scheme of things. However, that is another debate for another day. I wanted to say those few words because, having learnt a bit about the enterprise when I was minister, I am pleased to see the direction in which it is now headed. I wholeheartedly support the legislation.

HON NICK GRIFFITHS (East Metropolitan - Minister for Racing and Gaming) [12.53 pm]: I thank Hon Barry House for his observations and the Opposition for its support of the Bill. Hon Barry House raised a number of issues, some of which I dealt with by way of interjection. I did not answer the questions relating to why and when the announcement was made. Hon Barry House raised the fact that the Premier was out of the State on the day of the announcement. The Premier's whereabouts is not a matter of relevance to the timing of the announcement. Cabinet finally signed off on the matter on Monday, 23 September. I intended to make the announcement on Wednesday, 25 September. However, it came to my notice that Burswood Casino was to make an announcement to the Stock Exchange on 24 September and that the matter would therefore be made public shortly after the Stock Exchange stopped trading that day. I held a media conference and, unfortunately, that was before the House sat. At the media conference, which took place between 2.00 pm and 3.30 pm - it did not occupy all that time, but was held during that period - I was questioned by a number of journalists from television stations and the like. The issue of gaming machines was raised and answered. I will come back to that point in a moment. I then made a statement in the House at the earliest opportunity following the preliminaries at, as the honourable member reminded me, 3.37 pm that day. There was nothing sinister in the announcement.

I refer now to the Richardson meeting. I am reminded by the third person at the meeting that it took place on 22 March 2002, although the final negotiations with Burswood were resolved when Cabinet finally signed off on

matters on 23 September 2002. By 22 March 2002 matters to do with the so-called 10 per cent cap had been resolved between me, as the negotiator for the Government, and Burswood. Therefore, there was agreement in principle. Of course, the agreement that was reached in the end meant that every piece of the agreement was dependent on the other; it was one whole agreement.

Former Senator Richardson sought to see me. I make myself accessible to people who wish to see me. He put forward Publishing and Broadcasting Ltd's point of view. As I understand it, he is an employee of PBL. He spoke in general terms about the synergies that would exist if PBL could acquire an interest in the Burswood Casino. I understand that at that time PBL had - it still may have - an interest in Crown Casino, and there are obvious synergies there. I noted what he said. He asked how matters were progressing with Burswood and wanted to know when matters would be decided. He was not given any information on the state of negotiations with Burswood, because that was a matter between the Government of Western Australia and Burswood. I negotiated on behalf of the Government and gave regular reports to my cabinet colleagues. There were quite a few reports, because, as members can imagine, in a situation like that there is quite a bit of toing-and-froing, certainly with regard to taxation rates and the like.

I ask the House to note that the legislation depoliticises the 10 per cent issue because matters will be handed over to another body for a probity check, whereas currently if, for example, somebody were to come to see me, I have the power to say yea or nay. It is strange that people who may have been interested in taking over a company have not thought of that. Anyway, that is the position. Perhaps people should read the law.

Hon Barry House interjected.

Hon NICK GRIFFITHS: I had better be quick.

In the course of the negotiations Burswood said that it would like to apply for more gaming machines. I made it clear that the Government would raise no objection with the Gaming and Wagering Commission. The commission approves the number of machines, and that has been the case previously. The number of machines has been increased progressively over the years under previous Governments. Under the last Government, I think Hon Max Evans was the minister when the number of machines was increased. It is a matter for the Gaming and Wagering Commission, and it has to do with harm minimisation and matters of that kind. If government were to make known an opposing point of view, no doubt the commission would have regard to that. However, that was the Government's position. There was nothing sinister about it. Given the fuss that has emerged, it may have been better if I had said in the media release and in the statement, "Oh, by the way". However, it was not considered to be a matter of great moment. I believe that is fair comment when one considers what has happened with gaming machines since.

Hon Barry House: The ratio per person in Western Australia is still lower than in other States, isn't it? I have seen the figures.

Hon NICK GRIFFITHS: I propose to table two documents shortly. The estimated extra revenue as a result of this is approximately \$1.35 million to 31 July 2003. I am advised that the current estimate of additional casino taxes over the first five-year period is an extra \$18 million.

I will deal with the revenue matters raised by Hon Jim Scott. First, there are no changes to the rules or the types of games or prizes. Approximately 25 per cent of casino gaming revenue comes from the international commission business. In the mid 1990s it was as high as about 60 per cent. I believe that deals with the major issues raised. I commend the Bill to the House.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.

Sitting suspended from 1.00 to 2.00 pm