

CROWN HOTEL, BURSWOOD — LAND SALE

565. Mr M. McGOWAN to the Premier:

I refer the Premier to his comments in relation to the \$30 million discount provided to Crown due to the clean-up costs of the land at Burswood and his assertion that Crown had an entitlement to buy the land.

- (1) Can the Premier confirm that there was actually no entitlement, and the decision to sell the land at a discounted price was always at the discretion of his government?
- (2) Can the Premier confirm that part of this discount was a financial incentive for the construction of a new hotel; and, if so, how much of the \$30 million discount can be attributed to this incentive?
- (3) Can the Premier explain why it is fair that taxpayers subsidise the construction of a private hotel, but it would be inappropriate to ask Crown to contribute to a stadium that will deliver up to 60 000 people to its doors each week?

Mr C.J. BARNETT replied:

- (1)–(3) Under the original casino agreement there was an entitlement for Crown to approach the government of the day about acquiring more land.

Mr M. McGowan: That is not what you said—you're misleading this place.

Mr C.J. BARNETT: Under the agreement act, they could have a large footprint.

Mr M. McGowan: Anyone can approach the government!

Mr C.J. BARNETT: They had a special right under the agreement act entered into by a Labor government of the day.

Mrs M.H. Roberts: It is different to an entitlement to buy, isn't it?

Mr C.J. BARNETT: The member can use semantics if she likes, but read the agreement act! Under the agreement act, they could come forward and seek to buy, subject to a commercial agreement. It came down to —

Mr M. McGowan: It wasn't a commercial agreement.

Mr C.J. BARNETT: That is what the Leader of the Opposition says, but I will get to that. They had a right to come forward to seek to purchase more land, and the state had an obligation to negotiate with them, which I have to say we did quite willingly because we want to see a new hotel built in Perth. We want to see not only a 400-room hotel but all the construction jobs and employment that will go with it. Perth has not had a new five-star hotel for 25 years. Valuations and negotiations took place. The valuation through government put it at around \$95 million—from memory. Crown had a figure a lot, lot lower than that, and like in any commercial negotiations Crown took part in those negotiations. The valuation was based on, for example, inner city property, and did not recognise that this was an old waste site with car bodies and goodness knows what under that site, so through a proper process it was estimated that the cost of remediation of that site would be at least \$30 million. There were some suggestions it could be well above that, but no-one really knows until Crown starts to inspect the site and determines what will be required in terms of piling to build this hotel. From a \$95 million valuation that was totally unencumbered and with no problems, negotiations through the Department of the Premier and Cabinet agreed at a price of \$60 million. There would be people in our community—I am not one of them—who would say we could have given them the land to get the hotel. We did not do that; and they did not ask for that. We made it very clear at the beginning that they would pay a proper commercial price. For the state to get \$60 million from any negotiation for what currently is a car park is a pretty good outcome, plus a new six-star 400-room hotel, and about 1 000 jobs during construction and 600 or 700 during continuing operations, is a very good situation. It was handled properly.

Mr M. McGowan: In your office.

Mr C.J. BARNETT: No; by the Department of the Premier and Cabinet.

Mr M. McGowan: An extension of your office.

Mr C.J. BARNETT: For goodness sake, the public sector has to be relied on to negotiate that—the State Solicitor is involved, the valuation agency and so on. They are all properly involved and it is all handled as it should be.

In contrast, what was the approach of the Leader of the Opposition? It is like he lives in a little time bubble. He was around, I think—maybe not in Western Australia—and he would know the history of the WA Inc period. What was it all about? I know a lot people, the younger generation today, do not even know what it was, but WA Inc was really about Labor ministers doing secret deals with so-called entrepreneurs. That is what the Leader of

the Opposition has suggested—doing secret deals with Holmes à Court, Connell and all the rest of them. It cost the state \$1.5 billion. They thought they could meet in smoke-filled rooms and do deals with their mates. That is what it was all about. It is like the Leader of the Opposition has forgotten that entire period of history. What was his solution? It was to go to James Packer and say, “Mate, you can build your hotel, and we are going to build maybe a stadium and, by the way, give us \$500 million for the stadium. Good deal.” That was his approach. That was the corruption of WA Inc.

While I am on my feet, I ask the Leader of the Opposition —

Several members interjected.

The SPEAKER: Member for Warnbro, I can see; I formally call you to order for the first time today. Member for Mandurah, I can also hear; I formally call you to order for the second time today. There have been two and a half questions in 20 minutes. I hope the Premier is going to reach a conclusion.

Mr C.J. BARNETT: I am, but I conclude with this point.

Mr P. Papalia interjected.

The SPEAKER: Member for Warnbro!

Mr M.P. Whitely interjected.

The SPEAKER: Member for Bassendean, I formally call you to order for the first time today. Member for Warnbro, I formally call you to order for the second time today.

Mr C.J. BARNETT: There was a valuation of \$95 million, discounted because the site has to be remediated at a cost unknown but at least \$30 million, perhaps much more. It is an entirely proper process. I contrast that with the Leader of the Opposition’s proposal that James Packer and Crown Casino should pay \$500 million towards the cost of a stadium. Here is the Leader of the Opposition’s opportunity. Has he written to James Packer? Has he put that to him?

Several members interjected.

The SPEAKER: Member for Girrawheen! Member for Bassendean, I formally call you to order for the second time today. I have one ambition; it is to try to get through question time today with a reasonable number of questions being answered. To those on both sides of this house, you are not contributing at all in terms of the efficiency in enabling questions to be asked or answered. I will give the call back to the Premier.

Mr C.J. BARNETT: We live in a different world, I think. This government has been scrupulous —

Several members interjected.

The SPEAKER: Thank you, members! Member for Joondalup, I formally call you to order for the second time today. I am getting a little tired of standing up, members. I would like to hear a few more questions and a few more answers. I am sure there are people who would like to be able to do that themselves.

Mr W.J. Johnston interjected.

The SPEAKER: Member for Cannington, I formally call you to order for the first time today.

Mr C.J. BARNETT: This government has been scrupulous to keep the issues of the stadium entirely separate to issues to do with the casino and the development of a new hotel. That is entirely proper—something that members opposite do not seem to understand. While members opposite are all carrying on like entertainers, just think about this: at the time, Labor people said it was all okay in the 1980s. What the Leader of the Opposition has proposed —

Several members interjected.

The SPEAKER: Member for Forrestfield, I formally call you to order for the first time today. Member for Joondalup, I suggest to you that you might wish to remain quiet; it is your call. I formally call you to order for the third time today. I hope some other members have some questions they want to ask.

Mr C.J. BARNETT: Members opposite may laugh and jeer. Perhaps in a quiet moment they might reflect, because what the Leader of the Opposition proposed was nothing more or less than an attempt at commercial extortion of Crown Casino. That is what it was.

Mr W.J. Johnston interjected.

The SPEAKER: Member for Cannington, I formally call you to order for the second time today.