



Speech by

**Mr G. HEALY**

**MEMBER FOR TOOWOOMBA NORTH**

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Hansard 22 October 1998

**PRIVATISATION OF TAB**

**Mr HEALY** (Toowoomba North—NPA) (6.01 p.m.): I move—

"That this House supports the privatisation of the Queensland TAB."

If ever there was a motion that deserved the full support of this House—from all of those members in whose electorates there are racetracks, dog tracks, harness racing complexes, TABs, clubTABS, pubTABS right across this great State—it is this motion. It deserves support from every member of this House whose constituents are transport operators, who work for feed companies, who are veterinarians, who work for catering companies, who are farriers, office staff, TAB staff, trainers, jockeys or stable hands. In fact, across this State more than 25,000 people are employed in an industry that is the very much under threat at this particular moment. If the Queensland TAB does not privatise, the jobs of many of those people are very much under threat.

I know that there are people in the Labor Party who are totally opposed to the privatisation of the TAB. I know that there are people within the Labor Party who are totally in favour of it. As members would recall, last year the ALP State conference passed an urgency resolution opposing TAB privatisation. In fact, until only recently, the Premier indicated his caution on privatisation. Earlier this week in this place, it was pleasing to hear him indicate that perhaps he had changed his mind a little on the issue. In fact, the words that he used in this House on Tuesday could not be more true. He stated—

"It is important, I think, that we do set clearly on the record for the purposes of this debate that the profits of the TAB are, in fact, distributed as prize money to the race clubs of this State; they are not provided to the taxpayer. The Queensland taxpayers receive the benefits from a wagering tax. That wagering tax will, in fact, be charged on the TAB whether the TAB is in corporatised form, in its current form or in a privatised form. So that money will be going to the taxpayers."

Even with the privatisation of the TAB, the level of TAB wagering tax revenue to the Government would still be at 25%. However, it would allow Queensland to be able to ward off the scavengers; for Queensland and the Queensland TAB to be even more competitive. Not only did the Premier make those statements in the Parliament but also he made statements publicly. On 20 October, an article in the Courier-Mail stated—

"Signalling the Government's intention to privatise the TAB, Mr Beattie said yesterday he and Racing Minister Bob Gibbs would argue strongly for the proposed sale."

Then, also on 20 October on the Carolyn Tucker program, the Premier stated—

"I've signalled my support for the privatisation because I think if we don't the TAB has a very bleak future."

The Premier is 100% right. I refer to the answer that the Minister for Tourism, Sport and Racing gave to me during the Estimates committee hearings. This answer is part of the basis for the whole argument. I asked him a question in relation to TAB tax revenue. I asked him about the fact that it is now 36%. The Minister stated—

"It is currently 34%, which puts us at a distinct disadvantage, as you know, compared with Victoria and New South Wales. Once we corporatise it on 1 January it will come down to 28%. If we are then able to go down the road of privatisation, it will come down from 28% to

25%, and that 3% difference—that is, Queensland will have 25% as compared with Victoria and New South Wales, which have 28%—will offset the distinct advantage that they have in relation to poker machine revenue into their TABs."

The Minister is spot-on. If it comes down to 25%, we will have that 3% advantage that we do not have now and we will not have under corporatisation.

The Queensland racing industry in all three codes has identified a number of issues which, in themselves, have not helped in the battle for the State's gambling dollar. Let me say that I think that the three codes have done a pretty darned good job in putting their strategic plans together. For the first time in many years, they have shown some sort of partisanship. I refer to the thoroughbred strategic plan, because the industry has gone out and identified for itself some of the problems within the industry. The plan outlines the problems as follows—

"Racing's ability to compete effectively with other forms of gambling and entertainment (eg the industry's share of the Queensland gambling market plummeted from 74% to only 18% since the start of the 1980s);

Rapidly changing lifestyles and consumer leisure patterns;

Heightened competition from privatised interstate TABs."

I refer to TABs such as TABCorp in Victoria, which is already privatised, already into Queensland, and already seeking out those markets. The plan has identified those factors. The plan states further—

"Too many race meetings and races, contributing to comparatively small field sizes and poor quality racing."

I congratulate the industry on identifying those sorts of problems. However, we have to be able to fix them. As a Government, we have to allow industry to take control of its own destiny so that it can compete with those other organisations.

This will be a real test. This debate tonight will be most interesting, because for probably the first time and probably the last time the Opposition is going in to bat for the Minister. It is a strange situation indeed when the Minister supports the privatisation of the TAB, the Premier lends his support to the privatisation of the TAB, many members of the Government who have spoken to me privately on this issue are supporting the privatisation of the TAB, the coalition supports the privatisation of the TAB, the industry supports the privatisation of the TAB, yet the most important decision on the future of one of this State's greatest industries will come down to the vote of a few party hacks at an ALP State conference.

I will refer again to the Premier's comments made in this House the other day. One of the issues that has been raised by the ASU and Janice Mayes is job security. Even the Premier has said—

"In terms of the job security issue—I have had discussions with the Australian Services Union. The job security issue is one that both the Minister and I have taken very seriously. There will be ongoing discussions with the ASU to protect employment opportunities. We are of the view that there will be jobs growth out of a privatised TAB; not only will existing jobs be protected, there will be jobs growth as a result of it."

The Premier is spot-on. At the moment, we have an industry that does not have growth, because in other States of Australia two large TABs have decided to privatise. They are out there competing directly against Queensland. If we allow the industry to make the move to privatise, we can compete on even better than a level playing field. If there is growth in the industry, there are jobs in the industry. If we do not achieve that growth and allow this great racing industry of ours to wither on the vine, there will be job losses.

This is going to test who is really running this State. Is it the Premier and his Caucus colleagues or is it the union heavies and the party hacks? The decision at the ALP State conference will send a clear message to Queensland on who is leading this State. Is it Janice Mayes, Don Brown and Bill Ludwig or Peter Beattie and Bob Gibbs?

Already this week we have seen and heard all about the aggressive exploits of the privatised Victorian TABCorp in Queensland. I hope that the Minister is considering talking to his Crown law advisers in relation to some legislative amendments that may prevent what is happening with TABCorp in Queensland. The important thing to remember is that if privatisation is to go ahead and it is done right, it may give the average Queensland mum and dad the chance to invest in a major company without having to have a bet.

This is a chance for the Parliament and we must not walk away from it. If almost everybody agrees with it, why cannot this motion be passed tonight? Tonight's debate will send the message that the Parliament debated the issue and resolved to show bipartisan support for the Queensland racing industry. The thousands of constituents—both yours and mine—who derive an income from the racing industry, who put food on their tables at night, educate and clothe their kids and put petrol in their cars

because of the racing industry will get the message that members of Parliament from both sides of politics have agreed to support them.

Time expired.

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