



Speech by

Mrs J. SHELDON

MEMBER FOR CALOUNDRA

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PRIVATISATION OF TAB

Mrs SHELDON (Caloundra—LP) (6.09 p.m.): I have much pleasure in seconding the motion moved by the member for Toowoomba North, who, in common with me, has a significant racing industry in his electorate. Tonight, in speaking to this motion it is important to remind all members how important the racing industry is to Queensland, both in terms of revenue generation and jobs. It is one of our biggest and most important industries. Only when we understand that can we understand properly the magnitude of the Minister's and the Premier's decision to dump the privatisation of the TAB. Only then can we begin to realise just how much money and how many jobs this Labor Government has chosen to jeopardise simply to appease the union movement—its real power bosses.

It is estimated that the racing industry generates upwards of \$300m towards Queensland's gross domestic product, yet in flow-on terms another \$700m is generated. In all, this Labor Government has chosen to sacrifice an industry worth \$1 billion to the Queensland economy. I am amazed that the Treasurer, Mr Hamill, is prepared to acquiesce to this. He has left the industry exposed to the privatised TABs in New South Wales and Victoria. But even more so, the Labor Government has chosen to sacrifice an industry that accounts for nearly 14,000 jobs. So much for the 5% unemployment rate—fictitious as it always was!

Last week's decision to axe privatisation plans was more than a monumental backflip even by "Backflip" Beattie standards; it was a monumental kowtow to the union movement and it was a monumental act of negligence—putting the numbers of the Labor Party's political factions ahead of job creation and the racing industry in general. Even the editorial in this morning's Courier-Mail was awake to that. It challenged the Minister to sort out the problem and not to walk away from it. The State coalition has been instrumental in restructuring the industry and in preparing it for privatisation. We were instrumental because the industry asked us to be; it had faith in us as a Government.

Mr Beattie: Ha, ha!

Mrs SHELDON: I assure the Premier that it certainly has no faith in him.

All three racing codes chose to pursue an agenda of privatisation. It was not the coalition Government's agenda, it was the racing industry's agenda. This morning the Premier tried to pretend that those discussions were not advanced, but as usual he was wrong—and quite deliberately. He claimed that the privatisation of the TAB had not gone to Cabinet under the former Government. Again, he was wrong. He claimed also that he was concerned about the future of rural and regional racing. He claimed that the State coalition was not concerned. Again, he was wrong. On 14 October 1997, the former coalition Government gave the green light to the privatisation of the TAB, and that was a Cabinet decision. At the same time, we approved a two-stage package to ensure that the industry was properly restructured before the privatisation proceeded.

As part of that package negotiated with the industry—and members will note that the coalition was able to negotiate with the industry rather than walk away—the estimated level of TAB sourced funding would have jumped from \$91m to \$109m, or an \$18m increase in funding to the industry. In addition, State Cabinet also gave its support to change wagering taxation from a turnover revenue base, coupled with the staged reduction of the tax rate from the existing 34% down to 25%. That move would have made the Queensland TAB more than competitive with the 28.2% tax level in New South Wales and Victoria. In addition, Stage 2 of the privatisation process was to see the retirement of almost

\$31m in racing industry debt, and this was to be coupled with a one-off \$10m capital injection. Is it little wonder that this week the racing industry is incensed by this minority Labor Government's decision to dump its future?

The Premier can try hard to claim that he is interested only in protecting rural and regional racing and the mums and dads, but he is not. Nobody did more for rural racing than the coalition Government. Racing clubs and punters remember that. Indeed, it was Russell Cooper and I who returned almost half of the revenue from the bookies' turnover tax to the racing clubs to improve training facilities—something a Labor Government never did.

They also remember that part of the coalition's privatisation program of the TAB was to safeguard the future of racing in rural and regional areas by ensuring development clubs received at least \$5.8m in financial support over the next two years—equal to the current level of distribution. The baseline level of financial support for a further three years was to be negotiated with the industry.

Time expired.
