



Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

Hansard 10 November 1998

PRIVATISATION OF TAB

Hon. K. W. HAYWARD (Kallangur—ALP) (6.40 p.m.): It is a pleasure to speak to the amendment which has been moved by the Premier. I remind the House that this amendment states—

"This House notes the commitment given by the Premier this morning that he and the Minister for Tourism, Sport and Racing will continue to have discussions with the racing industry and the TAB to ensure a strong future for the racing industry and the TAB."

That is what this amendment is about. It is about continuing to have those discussions— continuing the process of moving forward. Although negotiations have occurred, the people of Queensland now know that the industry was trying to do things that were unfair. Mr Cooper spoke about some particular issues, and I will talk about them later, if I get a chance. When Mr Cooper was the relevant Minister, he was aware that the industry was moving to advantage itself against the Government of the day and, in the end, against all Queenslanders. Negotiations must be fair. There has to be give and take. To produce a good outcome, it must be an outcome that is suitable for all Queenslanders. It must be in the interests of all Queenslanders.

One example that I could talk about is the deal with Sky Channel. In late 1995, a number of major Queensland race clubs entered into exclusive arrangements with Sky Channel with regard to the provision of rights for race pictures. Of course, this action was in direct defiance of the directives issued to race clubs by the Queensland Principal Club, which is the statutory body responsible for the administration of thoroughbred racing in Queensland. These rights included those for pay television. And as commercial transactions were likely to occur, the New South Wales TAB then purchased Sky Channel. The result was that a direct competitor of the Queensland TAB had exclusive access to the rights sold by Queensland race clubs. That was the situation in which racing in Queensland was placed.

In September 1998, a national pay television channel was introduced by Sky Channel, and all State TABs were requested to pay additional fees for the establishment of the pay television racing channel. But in Queensland, the racing clubs were not prepared to waive their fees—the fees that they had received in the exclusive deal that they had done with Sky Channel. They were not prepared to waive those fees in order to ensure that the TAB in Queensland was able to receive those race pictures at minimal cost. Of course, they were interested in themselves and in fighting their own battle. I notice that Mr Cooper is nodding in agreement with what I am saying.

Mr Cooper interjected.

Mr HAYWARD: The member had his chance. As a consequence, the TAB then incurred an additional cost of in excess of \$1m to secure those pay television rights. As anybody who has anything to do with racing would know, pay television has a significant and positive impact upon Telebet turnover in Queensland. Of course, this uplift in betting turnover has vindicated the decision of the TAB to access pay television. However, the rights fees which Sky Channel charged the TAB are, in effect, paid by the entire racing industry through reduced Queensland TAB distributions.

The fact is that the race clubs with Sky Channel contracts double dip by obtaining a fee from Sky Channel. Then they access the distribution money made available from the Queensland TAB after it has paid Sky Channel for the racing pictures. So they have the opportunity to double dip—and they do. During the negotiations, it was put to them that they should make that million-dollar contribution to the TAB to ensure that it happens. They said, "No." That was part of the negotiations, and the people of Queensland know what is going on. If there are negotiations, those negotiations must occur in good

faith. That is what the strength of this amendment is about. This amendment says that the Minister and the Premier will continue to have those important discussions.

Time expired.
