



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

Hansard 17 August 1999

INTERACTIVE GAMBLING (PLAYER PROTECTION) AMENDMENT BILL

All Stages

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (2.33 p.m.): I rise to support the Leader of the Opposition in opposing the introduction of this Bill and the passing of it all in one day. There are two issues associated with this, and I will speak only briefly because I am sure that the Premier is anxious to get up and answer some of the questions that the Leader of the Opposition posed again and which he failed to answer this morning. There are only two issues associated with this, and we have to address them and ask why this legislation is necessary.

Firstly, of course, is the substantive issue about what the retrospective legislation we have yet to see actually does, and I will talk about that just briefly from the media reports that we have seen. The second issue, of course, is why it has to pass through all stages in one day. First of all, if it is retrospective legislation it does not have to pass through all stages in one day. It is quite clear that once the legislation has been introduced into this House and it lays on the table, anyone who is affected by that legislation is put on notice. There is no reason that it has to be passed today and become the law of the land. It can meet the normal requirements of this Parliament—requirements which members opposite will recall this Government put forward when it amended the Sessional Orders—that it lie on the table for 13 days.

There has been no discussion with the Opposition about why it is necessary in the public interest, in Queensland's interests or in any particular interests that this Bill be passed in one day—except, of course, the interests of the Premier in trying to protect the decisions that his Government has made. Once the legislation is placed on the table and it is passed, it takes effect. It will have effect from the date that is included in the legislation, whether it is passed today, in two or three weeks' time or in six months' time. There is absolutely no necessity to rush this legislation through the Parliament today.

The second issue, of course, is simply that the Opposition has not seen the legislation. We have no idea what we are going to be voting on. We do not have the opportunity to look at it in detail, to take the required legal advice as to whether or not the Premier is doing things correctly. I think it is incumbent in a situation such as this—particularly where the Premier is fighting for his political life and for his Government's political life—that the Opposition has a chance to examine the legislation in detail. The fact that we will not be able to examine it in detail, the fact that we will not be able to take appropriate legal advice from people of our choosing, the fact that we do not know the full implications of what the Premier is going to propose is reason enough. The fact that we have not actually seen the legislation is reason enough to vote against it.

Earlier today the Premier challenged us to look at the Bill and support it. If he is really serious about giving us that opportunity, then let him lay it on the table for 13 days. Let us see it lie on the table so that we can examine it and get advice. If he is really genuine about what he is saying, then there is nothing to fear. The only thing that the Premier has to fear is if the legislation is flawed in some particular way; if it actually has a political motive rather than a real motive and it is looking after the Premier and his Labor Government rather than looking after the interests of the people of Queensland. So that is the first issue: there is no necessity for retrospective legislation to be introduced today and rushed through today. There is no necessity for the Standing Orders of this Parliament to be adjusted

to allow that to occur. I hope this Parliament rejects the necessity to push this legislation through in one day.

There is also the substantive question about what impact the Bill will have, whatever it does. We already have empirical evidence that the Treasurer, under the current legislation, failed to carry out his duties appropriately. He failed to—

Mr HAMILL: I rise to a point of order. I find those remarks untrue and offensive and I ask that they be withdrawn.

Mr SPEAKER: Order! The member has to withdraw.

Dr WATSON: I will withdraw.

An honourable member interjected.

Dr WATSON: That is what I was just going to say.

Maybe I am misreading the empirical evidence. It seems to me that the member for Ipswich has voluntarily stood aside while there is an investigation going on. I would have thought that was substantial empirical evidence that somehow he has blown it. Whether or not he has blown it in a legal or a political sense remains to be determined, but he has definitely acknowledged publicly that he did not get it right. There is no question; that is why he stood aside. He did that voluntarily. I will give him some credit for doing that of his own accord. Maybe all the rumours that he was actually forced to stand aside are not true. Let us give him that. The empirical evidence is that he has actually stood aside. He did not—at least initially—get the decision right.

We had some repartee across the Chamber a little while ago. We do not know whether or not there was sufficient examination of the original application. There is some indication that perhaps sufficient investigation was not done. If, as the Premier says, we are removing Navari and Topki from Gocorp, what does that do to the remaining structure? What is Gocorp without the other entities? What are its business plans? Where is it going to go?

It is okay for the Premier to come in here and say, "I am going to get rid of Navari and Topki because they were associated with Labor entities or because they had people associated with the Labor Party", and to get rid of them, but the question which must be answered remains. That is, what happens to the rest of Gocorp? Where does it stand? Would Gocorp by itself, without Navari and without Topki, have received a licence? If this legislation is introduced and passed today, then those critical questions will not have been answered. I will talk more about that if the Bill is introduced. It is important to understand that—

Mr Fouras: You have already made one speech on this and now you are saying the same thing. You will have a third speech later on and you will say the same thing then. You are wasting the time of the House.

Dr WATSON: It is not a question of wasting time. As a former Speaker, the member for Ashgrove should have some appreciation of the workings of the House. He is an individual who stands up for the rights of this place time and time again. He has made comments in this place and outside. One of the rights of this place is to examine legislation in detail, yet today the member for Ashgrove wants to vote for members of this place not being given sufficient time to examine legislation and to understand it. Is he disappearing behind the chair because he is so embarrassed?

Mr Fouras: You have just killed me. I am dead.

Dr WATSON: The member for Ashgrove ought to know that we need time to look at the full ramifications of this Bill, whatever it says.

Firstly, we oppose the motion moved by the Premier, because it denies the rights of this place and it denies the rights of Queenslanders to have this Bill examined in detail and the full ramifications understood. Secondly, it is not necessary whatsoever for this legislation to be finalised today. The Premier can introduce the Bill. It can be examined. Questions can then be asked in debate. All of us in this place and those outside can then understand precisely what this legislation does.

I support the Opposition Leader in opposing what the Premier is doing. We need time to examine the legislation. The people of Queensland deserve the right to examine the Bill in detail.

Second Reading

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (3.53 p.m.): This Bill has nothing to do with the issues that have ostensibly been raised by the Premier. This Bill has everything to do with retrospective conscience. This is giving the Labor Party, the Premier and his Government a retrospective conscience. This is a Bill about fixing up things that the Treasurer should have done correctly in the first place. It has nothing to do with trying to fix the problem. It is a complex Bill, trying to

fix a problem that should not have arisen in the first place. Even the Premier has indicated that it is a complex Bill, yet he refuses to give the Opposition time to consider it. I will address those issues later.

The fact of the matter is that the Treasurer simply failed to do his job. That is why we are in this mess. I refer to section 32(1) of the Interactive Gaming (Player Protection) Act 1998. Section 32 states—

"The Minister may grant an application for an interactive gambling licence only if the Minister is satisfied—

- (a) the applicant is a suitable person to hold an interactive gambling licence; and
- (b) each business or executive associate of the applicant is a suitable person to be associated with a licensed provider's operations."

Section 32(2) states—

"However, the Minister may refuse to grant an application even if the Minister is satisfied of the matters mentioned in subsection (1)."

There is absolutely no question that the responsibility falls on the Minister. The responsibility falls on the Treasurer. I refer to the next issue—the suitability of the applicant to hold an interactive gaming licence. I will not go through every section, but I will refer to two of the subsections. Section 33(1) states—

"In deciding whether an applicant is a suitable person to hold an interactive gambling licence, the Minister may have regard to the following matters—

...

- (c) if the applicant is not an individual—whether the applicant has, or has arranged, a satisfactory ownership, trust or corporate structure;

...

- (f) if the applicant has a business association with another entity—

- (i) the entity's character or business reputation; and
 - (ii) the entity's current financial position and background;"

I will talk about what a business associate is. Schedule 3 of the Act states—

" 'business associate', of an applicant for an interactive gambling licence, means a person who the Minister reasonably believes—

- (a) is associated with the ownership or management of the applicant's operations; or
- (b) will, if an interactive gambling licence is issued to the applicant, be associated with the ownership or management of the licensed provider's operations."

That clearly says that the Treasurer was responsible not simply for looking at the applicant, Gocorp, and not simply for looking at the directors of Gocorp but for looking at the corporate structure of Gocorp, for looking at all the individuals associated with Gocorp and for making a decision on whether or not those people were appropriate people.

Let us not pretend that somehow this was the fault of the legislation. The legislation was clear. It was not the fault of the public servants. Public servants certainly do a Minister's bidding in the sense of doing some of the legwork, but it is up to the Minister—it is up to the Treasurer—to decide and to actually sign the application form. No-one takes away the responsibility of the Minister to make that decision. That is quite clear under the conditions for granting an application.

We have seen a mess develop, not because of any fault in the legislation but simply because the Treasurer did not ensure that appropriate steps were taken. He did not ensure that he, and he alone, was confident that all of the people connected with the Gocorp application—all of the shareholders and all of those shareholders of associated businesses; in other words, the ownership—were appropriate.

I am going to go back, as I did earlier today, and talk about some of the structure. The Premier got it right a couple of weeks ago when he said it was a maze and a web. Of course, it is a Labor web, and it is a web of deceit, and we will go back and examine it. These are things that we know the Treasurer knew about or should have known about if he had undertaken the appropriate investigations or caused the appropriate investigations to be undertaken.

So let us get rid of all this nonsense that somehow this Parliament needs today to fix up a problem because of some probity issue or the high and mighty ethics or integrity of this Government. It has nothing to do with that at all. It has something to do with the incompetence of this Government. It has something to do with the fact that there is a trail of people associated with the Labor Party and associated with Labor Party companies, and it has everything to do with a trail of people who simply have failed in their businesses and who are associated with Gocorp. It has everything to do with getting

rid of Labor mates. It has everything to do with trying to assuage the conscience of the Premier. It has everything to do with trying to assuage the collective conscience of the Government. It has everything to do with trying to make sure that the public perceives that this Government is beyond reproach when the facts show that it is not. I will examine that in a fair bit of detail.

Let me refer to how the coalition was addressing this issue and this whole process, because the coalition did put up the legislation. There is no doubt that the coalition did have interactions with the member for Woodridge. That has been said, I have confirmed it, and there is other evidence to confirm it. But let us put in perspective what the coalition did. The Premier referred to a couple of letters that were sent to Mrs Sheldon as the then Deputy Premier and Treasurer from various members on this side of the House, including Ministers Lingard and—

Mr Hamill: Slack.

Dr WATSON: Yes, Slack and a few other people. Let me just refer to the reply. This is traditional. We already know what the Premier is like. He gives us some things, and he always leaves out the crucial pages. We saw that earlier, when he tabled a letter about his own involvement in Labor companies back in 1992 which he failed to put into the register. He left out an appendix and he has never found it. We still do not know what they are.

Mr BEATTIE: I rise to a point of order. I find that offensive and untrue and ask that it be withdrawn.

Dr WATSON: I will withdraw whatever the Premier finds offensive. But the fact of the matter is that he tabled a letter which indicated that there was an appendix, and he has been unable to provide the appendix. And when we asked the Clerk, he could not find it, either.

Mr BEATTIE: I rise to a point of order. I find those comments offensive and ask that they be withdrawn

Mr DEPUTY SPEAKER (Mr Reeves): Order! The member for Moggill.

Dr WATSON: I will withdraw, but it is still true.

Mr DEPUTY SPEAKER: Order! The member will withdraw.

Dr WATSON: I withdraw. All one has to do is look at what was tabled in the House. There is no question that what was tabled in the House was a letter—absence of the appendix!

Mr Beattie: And is it my fault that the bloody Clerk's office lost it?

Dr WATSON: I am just saying what happened.

Mr BORBIDGE: I rise to a point of order. Is it acceptable to the Chair to have the Premier swearing at the Clerk across the Chamber in response to the issue?

Mr DEPUTY SPEAKER: Order!

Mr BORBIDGE: That is outrageous.

Mr DEPUTY SPEAKER: Order!

Mr BORBIDGE: That is absolutely disgraceful.

Mr DEPUTY SPEAKER: Order!

Mr BEATTIE: I rise to a point of order. That is offensive and untrue. I did nothing of the kind, and the Leader of the Opposition knows it.

Mr BORBIDGE: The Premier owes the Clerk an apology. He said, "Is it my fault or is it the fault of the"—

Mr DEPUTY SPEAKER: Order! The member for Moggill will resume his seat. The Premier has asked the Opposition Leader to withdraw.

Mr BEANLAND: I rise to a point of order. I heard very clearly what the Premier said about the Clerk. I shall not repeat it, but I believe that an apology is owing.

Mr DEPUTY SPEAKER: Order! The member for Indooroopilly will resume his seat. The Leader of the Opposition has been asked to withdraw.

Mr BORBIDGE: Mr Deputy Speaker, I would make the point that—

Mr DEPUTY SPEAKER: Order! The Chair is asking the Leader of the Opposition to withdraw. The Premier has asked him to withdraw.

Mr BORBIDGE: I will withdraw, Mr Deputy Speaker, but you have not heard the last of this. It was absolutely outrageous that the Premier swore at the Clerk across the table to defend himself.

Mr DEPUTY SPEAKER: Order!

Mr BEATTIE: I rise to a point of order. That is not what happened. It is typical of the Leader of the Opposition, who distorts these things. It is offensive, it is untrue, and I ask that it be withdrawn. It is not true.

Mr DEPUTY SPEAKER: Order! The Leader of the Opposition has been asked to withdraw.

Mr BORBIDGE: Mr Deputy Speaker, all of us on this side of the House must have been hearing things. If the Premier—

Mr DEPUTY SPEAKER: Order! This is not a debate. The Leader of the Opposition has been asked to withdraw.

Mr BORBIDGE: I withdraw. The Premier owes the Clerk an apology.

Mr DAVIDSON: I rise to a point of order. I believe I heard the Premier swear at the Clerk, and I believe the Premier should apologise to the Clerk.

Mr DEPUTY SPEAKER: Order! There is no point of order.

Mr HORAN: I rise to a point of order. Mr Speaker, of the group here, I am probably the furthest away from the Premier, and I heard it very clearly. I am surprised that the Premier would stand up and say that that was a lie. I heard it. All he needs to do is stand up and apologise to the Clerk. That is the least that is required. I cannot believe that the Premier would stand up and say that that was a lie. I heard it.

Mr DEPUTY SPEAKER: Order! There is no point of order.

Mr BEANLAND: I rise to a point of order. I heard very clearly what the Premier said. He swore in relation to the Clerk. I believe an apology is owed to the Clerk. The whole Chamber—certainly members on this side and, I am sure, members on that side—heard it. One would have had to be stone deaf not to hear it. I think it is quite clear that the Premier owes the Clerk an apology.

Mr DEPUTY SPEAKER: Order! There is no point of order.

Mr HORAN: I rise to a point of order. I find it amazing that, in this place, members can use such terms towards the Clerk, and it brings this Parliament into an absolute shambles and a disgrace if the Premier will not apologise.

Mr DEPUTY SPEAKER: Order! There is no point of order.

Mr BEANLAND: Mr Deputy Speaker, I move dissent from your ruling.

Mr DEPUTY SPEAKER: Order! I will take advice from the Clerk. I call the member for Moggill.

Dr WATSON: As I was saying, we have a tradition now of the Premier not delivering everything. The other day he released a fax. On the fax was a memo that had been flushed out because of the issues that we had raised. And what was missing? The first two pages of the fax! And when we asked for them, the Premier could not find them. So it is not surprising that today we find that the Premier is able to read out letters that went to the then Deputy Premier, Mrs Sheldon, but he failed to read out the letter that Mrs Sheldon sent in reply. Let me read that letter into Hansard, because it is fairly telling. It says something about the way in which the coalition went about dealing with the issue. It is a letter dated 26 March, and it is signed by Bob Harper, Mrs Sheldon's former Parliamentary Secretary. It is addressed to Mr D'Arcy. It says—

"Dear Mr D'Arcy

I refer to your facsimile to the former Ministers, Mr H Hobbs MLA and Mr K Lingard MLA, on behalf of Mr Reg Austin of Australian Online Entertainment Ltd (AOE). The correspondence was forwarded to me for comment as the issues fall within my portfolio.

I can confirm that representatives of AOE have met with Treasury officials and myself to discuss gambling on the Internet. I can also confirm that during the period mentioned, proposals have been received from, and systems demonstrated by, other parties eager to be licensed in Queensland to conduct Internet gambling operations.

Accordingly"—

and this is the issue that was uppermost in people's minds—

"Accordingly, I cannot accept Mr Austin's claim that AOE were dealing with the Queensland Government on a preferred level."

Mrs Sheldon rejected any idea that we were dealing with them on a preferred basis. Yet that is the central issue of why we are in this trouble; because the Treasurer and the Labor Government dealt with them on a preferred basis.

Mr HAMILL: I rise to a point of order. The claim made by the honourable member for Moggill is false, it is untrue and it is offensive, and I ask for it to be withdrawn.

Mr DEPUTY SPEAKER (Mr Reeves): Order!

Dr WATSON: I will withdraw. The Government dealt with them on a preferred basis—if the member for Ipswich is so sensitive.

Mrs Sheldon rejected any idea that we were dealing with them on a preferred basis. Let me go on and read the rest of it—

"In May 1997, Gaming Ministers representing the various gambling regulatory authorities across Australia, released for comment a draft framework for the regulatory control of new forms of interactive gambling, including the use of the Internet. The proposal is designed to allow individual State and Territory Governments to regulate Australian sourced interactive home gambling activity within a national framework. It is not intended to provide a framework for the expansion of commercial gambling venues.

Under the existing legislative framework in Queensland, participation in gambling products available on the Internet is illegal for the provider and the player, regardless of the location of the provider. Specific enabling legislation would be needed to permit gambling on the Internet and other forms of interactive gambling in Queensland. If the State were not to continue developing or amending legislation, interactive products, except keno and lotteries, would remain illegal for supply and play in Queensland.

In October 1997, the Queensland Government considered the proposed national regulatory framework and agreed that the State continue to participate in working towards a national regulatory model for gambling on the Internet and other forms of interactive gambling, with a view to developing broad legislation based on the national model.

The Government policy to date"—

this is in March 1998—

"is that it would be premature to 'fast track' any proposal ahead of properly considered legislation and resolution of regulatory issues. Nonetheless, as you would by now be aware, I am pleased to advise you that I have recently introduced legislation into the Parliament to enable licence proposals to be properly considered.

I hope that the above helps in setting the current position in its proper context."

So it is quite clear that there was interaction between the coalition in Government and a number of people who were interested in getting into interactive gaming in Queensland. However, the important point to remember was that was for the purpose of developing the legislative framework. There was never any question of preference being given to any potential gambling player. That is the way the coalition dealt with things. That was reflected in the legislation which introduced operators. Because the coalition introduced it in that manner we did not get ourselves into the type of mess that this Government finds itself in.

The Labor Government has failed to properly implement the necessary investigations. Labor has failed to undertake detailed examination of the applicants concerned. The Premier himself indicated that it was a maze. I agree with the Premier. When I spoke on radio on 27 July I gave the Treasurer the benefit of the doubt. I still give the member for Ipswich the benefit of the doubt.

Mr Welford: You give him the benefit of the doubt, but you're going to censure him.

Dr WATSON: I am prepared to give the member for Ipswich the benefit of the doubt in terms of illegality, but I am not sure with regard to stupidity and incompetence. The more we dig into this matter the more we find. Companies we have never heard of, such as Gocorp, Navari and Topki, have now become household names. The Treasurer should have been concerned about the structure of these companies in evaluating the application. I have here a diagram which sets out the things of which the Treasurer should have been aware with regard to Navari when he was making the evaluation.

For example, one of Navari's serving directors was associated with a string of high profile business failures. In 1990, his chain of Toucano Char restaurants went into liquidation owing \$3m to creditors. He was also the head of a failed building company named Wilson Industries. Businesses and individuals associated with Gocorp should have been investigated before a licence was issued.

Another key figure in the net bet scandal was convicted of misappropriating some \$93,000 which belonged to Mercantile Mutual Insurance. That was a revelation to the Opposition. Every day we see fresh revelations. The most outstanding revelation is that the former Treasurer knew the history of some of these dodgy characters before he approved the licence. He knew that his Labor mates were closely linked to the venture. He also knew of some of their criminal convictions. He knew, or should have known, of some of their spectacular business failures.

Any one of those factors provides sufficient grounds to refuse the licence. When all those factors were taken together they amounted to dynamite. The warning bells were ringing off the wall but the member for Ipswich ignored them and plunged this Government into the crisis that we see today.

The net bet scandal has demonstrated yet again that Labor is incapable of differentiating between official business, party business, mate business and funny business.

This current scandal makes the Government's \$93 toilet brush issue smell like a bunch of roses. It makes the decision to spend \$600,000 on renovating a ministerial office almost a stroke of political genius. The people of Queensland are entitled to know how this application got through the probity process. The Premier and the people of Queensland have good reason to be concerned about this scandal. The last time I saw anything as complex as this was when I was in public accounting and came across the Mafia trying to dream up ways of money laundering.

Mr Hamill: Was it the Mafia?

Dr WATSON: We believe so. We found it. This is a story of Labor intrigue with the member for Woodridge—Labor's long-reputed bagman—at the centre of this tangled web. In the limited time available I can touch on just a few of the issues involved.

I want to deal with Gocorp. When this legislation removes Navari and Topki, it will leave the structure of Gocorp, the original investor, in place. We need to look at some issues in relation to that. Gocorp is the entity which was granted the interactive gaming licence. Two people involved with Gocorp are Geoffrey Ian Koo and Bradley Ronald McCosker. Navari Ltd belongs to the former Treasurer's three Labor mates. Topki Holdings is a company which administers multiple superannuation funds for multiple beneficiaries. We recognise that that is a structure which can hide a whole host of things, including a whole series of Labor mates' nest eggs.

There would be very little chance of any of us ever getting to the bottom of that, although the probity process should have got to the bottom of it. In my opinion, the nature and extent of any such association has to be examined not only by the Auditor-General but also by the CJC. Of course, the important people are Geoffrey Ian Koo and Bradley Ronald McCosker, because they are the two individuals who first came along with Reg Austin with respect to the Internet gaming. At that stage, I think Mrs Sheldon's letter referred to them as Australian Online Entertainment. Mr Austin is Mr McCosker's uncle. In 1997, he was convicted of fraud and stripped of his OAM. I think it is strange that when one looks at the structure of Gocorp, one of the three principal movers and the person who wrote to the then Treasurer, Mrs Sheldon, and who was part of that group which was pushing for this, is suddenly not visible in the Gocorp registry, yet Mr D'Arcy and others were writing on that person's behalf. If members recall the letter, they will know that Mrs Sheldon referred specifically to Mr Austin.

I can understand Mr Austin's natural reluctance to disclose his criminal past. However, I find it remarkable that he is not listed somewhere in Gocorp. I think that the CJC and the Auditor-General have to investigate whether Mr Austin has parked his interests in another legal entity associated with Gocorp or through his nephew, Mr McCosker, or any other individual, because it is incumbent in the legislation that, in granting a licence, one has to know who the associated people are. It is beyond belief that for a year or a year and a half Mr Austin could be part of pushing for that licence and then, simply because he has a criminal conviction, suddenly he is out of it. I think that that needs to be looked at in a fair bit of detail. That is one of the problems with this legislation; although it is removing Navari and Topki, it leaves the remaining structure of Gocorp. We do not know the extent to which individuals associated with that entity have satisfied all the probity issues.

The other key player in this sorry affair is Navari. I have indicated already that Navari has had a substantial shareholding in Gocorp, and that is variously reported as being between 12% and 20%. I know that the Treasurer interjected earlier, but certainly in the initial stage its shareholding was close to 20%. There may have been some dilution of the shareholding later on. The directorships and the shareholdings of Navari are pretty important. The Premier must have had some inkling of them when he said that it was a maze. Of course, originally Navari included Mr Livingstone and Mr D'Arcy as directors. However, they got out of it, and back in 1994 they put their wives in Navari. We know that Mrs D'Arcy is the spouse of the member for Woodridge and we know that Cheryl Livingstone is the wife of Don Livingstone, who is a senior adviser to a Minister.

However, of equal importance, and as I said previously, James Frederick Wilson is a prominent businessman associated with a number of business failures. I am sure that a number of members of this House would recall the fact that Wilson Industries collapsed about 10 years ago, leaving creditors high and dry. I have already mentioned his defunct restaurant chain. So the question that ought to exercise the Treasurer's mind is whether or not Mr Wilson, as Chairman of Navari, was an individual whom one would have wanted to be associated with Queensland's first Internet casino licence, whether or not his past business record was one that one would want to have associated with an Internet licence that was going to be looked at by everybody in Australia and around the world.

However, those are not the only colourful characters associated with Navari. Earlier, I talked about the Livingstones through Delrex and about some other people. I think the important thing about this whole issue is that there was an interrelationship between Mr D'Arcy, Mr Livingstone and Councillor Pisasale. We see Councillor Pisasale's interest come up through one of these entities called The

Ultimate Solution Pty Ltd. Like Delrex, The Ultimate Solution has been associated with Navari since 1994. As I said earlier today, it seems to me that Delrex and the restructuring of The Ultimate Solution need to be looked at in some detail. There is also another entity within Navari called Tahoe Superfund. There is very little information indeed on this particular player. However, as I understand from a cursory glance at the legislation—

Mr Welford: You don't understand.

Dr WATSON: The Minister is a Minister in a Government that just voted against giving us the opportunity to look at the legislation in detail. So if I do not understand it, it is because of the Government's refusal to give me and other members on this side of the House the opportunity to look at it. I do not think that that is a particularly proud boast to make.

Mr Horan interjected.

Dr WATSON: That is right.

Mr Welford interjected.

Mr Horan interjected.

Mr DEPUTY SPEAKER (Mr Reeves): Order! If members want to have their own private conversations, they can do so outside the House.

Dr WATSON: With respect to that super fund, there is no supporting evidence except that the registered address is the same as a D. M. and D. E. Eadeh. Who are they? The only thing that I have been able to find out about them is that they are also associates of the member for Woodridge in Probah Pty Ltd—of course, again the central feature in this whole affair.

As I said at the beginning, the more we dig, the more we find out about this particular operation. However, from looking at the legislation briefly, it seems to me that although the member for Woodridge, Mr Livingstone and Councillor Pisasale may be excluded from it, there is no exclusion of some of these others who are clearly associated with some of these people—including the member for Woodridge—from Gocorp. I think that the full extent of that issue has to be examined before this legislation is passed by the House.

The other shareholder, Manbury Pty Ltd, is wholly owned by the Wilson family. As I mentioned earlier, Mr Wilson has been associated with a string of corporate collapses. I would think that the people of Queensland are entitled to wonder why the Government saw fit to approve his association with the State's first Internet gambling licence. No objective assessment of his track record could have supported this involvement and no reasonable person could have been satisfied that Mr Wilson was a fit and proper person to hold a gaming licence. However, that did not stop the Treasurer. He ignored the alarm bells, he ignored the flashing red lights and he threw caution to the wind. The people of Queensland are entitled to know why. They are entitled to know if it had anything to do with Manbury's other business ventures. For example, the people of Queensland are entitled to know whether Manbury, which is also in business with Amarance Pty Ltd—headed by that well-known Labor mate Ian Brusasco—had anything to do with it. They are entitled to know whether Manbury is also associated with Texberg Pty Ltd, which is a wholly owned Labor company. The web of complex relationships between Mr Wilson, the Labor mates and Labor companies, must be probed by the Auditor-General and the CJC.

Leaving these tantalising coincidences aside, I turn to a question that I asked this morning about a Rodney David Hegarty, who is based in the Philippines. It is interesting to reflect on this issue, because when we first tried to find out about Rodney David Hegarty, he was not actually referred to as "Rodney" in the papers that were filed with the Australian Securities and Investment Commission. He was referred to as "Ronnie", so it was a little while before we were able to track him down to the Swagman Hotel chain that he runs in the Philippines. From what we have been able to find out, the people of Queensland are entitled to ask whether Mr Hegarty is an appropriate person to be involved with Queensland's first Internet gaming licence. Of course, the sorry fact of the matter is that it does not end there.

Mr D'Arcy, the member for Woodridge, personally held shares in Navari Pty Ltd and also held shares through W. D. Management Consultants Pty Ltd, a company that is wholly owned by himself and his wife. However, it does not rest with Navari, Topki, Gocorp or any other Labor mates at the centre of the net bet scandal. Whatever their complicity in this disgraceful affair, the ultimate responsibility rests with the man who awarded them the licence to print money. It was the Treasurer who approved the deal, it was the Treasurer who flushed Queensland's good reputation down the toilet and it is the Treasurer who has to stand condemned. One would be flat out getting this application approved in Las Vegas, but the Treasurer did not bat an eyelid. He is now claiming that he did not do anything wrong. The Treasurer and his Labor mates have betrayed the State and they have betrayed the people who elected them. Judas received 30 pieces of silver; Gocorp received a licence worth \$200m.

The extent of the Premier's own involvement is still unclear, but certainly it is more than he admitted to at the outset. He claimed to have little knowledge of the venture except for some vague recollection of a conversation with the member for Woodridge when they were in Opposition. Then we saw the telltale memorandum, which was written at the Premier's personal direction, telling Treasury to meet with the member for Woodridge as a matter of urgency. The Premier's memory suddenly improved somewhat when he recalled that the member for Woodridge had lobbied him to give Gocorp the edge on the rest of the world. That conversation did not take place when they were in Opposition. That conversation took place in the initial weeks of the new Government. It took place within a month of Labor taking office.

Let us remember that the Government only released the telltale memo after we lodged our freedom of information application. Treasury knew that we were going to get it at some stage, even if the Auditor-General or the CJC, which came in a little latter, received it in any case. It is like someone admitting that they robbed a bank after they found out that they were caught on the security camera.

The Premier's directive shows that he was pulling the strings within a month of taking office. It shows that he held direct talks with the member for Woodridge in July of last year and that he was personally involved in fast-tracking the venture. According to the Premier's version of events, the memo was about Tasmania. He claims that it had nothing to do with the net bet licence or the member for Woodridge. The Premier has elevated political spin doctoring to stratospheric levels. The memo has everything to do with the net bet licence. It has everything to do with Queensland and the Gocorp venture. The person who signed the accompanying note was the major shareholder in Gocorp. That note was about Gocorp losing ground to interstate competitors. It shows that Gocorp gave the member for Woodridge a rocket. He then gave the Premier a rocket and the Premier gave Treasury a rocket. It is amazing what a few well placed rockets will do when one is bouncing around the corridors of power at 100 George Street.

The Government accepted the Gocorp licence less than three months later, ahead of any other rival. The Premier's direct involvement in that process is irrefutable. He now has to explain why he denied such involvement, why he denied any knowledge of the venture and why he denied giving it his personal support. The Premier wants us to believe that he clearly recollects the discussions with the member for Woodridge before the change of Government but not after the change of Government. One can only assume that he has been taking selective memory lessons from that other well-known Labor mate, Carmen Lawrence.

The Premier wants us to believe that the member for Woodridge spoke with a staffer rather than himself, when the memo says exactly the opposite. I do not buy it and neither should the people of Queensland. The memo shows that the Premier was up to his shirt sleeves in the chain of events from day one and that is the document he is using to defend himself. What about the documents that he does not want us to see? The Premier is yet to explain—and we talked about this earlier—what happened to the first two pages of the papers he released, which are the last two pages of a four page document. The people of Queensland are entitled to know what the Government is hiding. We are entitled to know the contents of pages one and two. The Premier keeps claiming to lead an open and accountable Government, but he never tells the full story or releases all of the documents.

The Premier wants us to believe that the Treasurer approved the deal without a word to anyone. The Premier wants us to believe that he is a mushroom and that he was kept in the dark. I do not buy it. The Premier does not run this State in a vacuum. He is surrounded by a cast of thousands who are constantly briefing and advising him on every issue that has the slightest potential for controversy. The Premier has claimed that none of his Ministerial or departmental staff knew of the deal, or if they did they failed to inform him. Who is he trying to kid? The Premier's chief of staff was the Treasurer's former chief of staff in the Goss Government. The Premier and the Treasurer share the same building and they work hand in glove on just about every major project. They have been close friends and political allies for years. They used to travel together, although they do not always like to talk about it, as we found out the other day. They have formed a mutual admiration society. They scratch each other's back and they cover each other's tracks. They certainly forgot to mention the implications of the travel rort scandal 10 years ago and they seem to have had another convenient lapse of memory this time around.

It simply defies belief that the Treasurer did not say a word to his closest Cabinet colleague and boss. Even if the Treasurer did not say anything before he looked after his Labor mates, why would there be a big secret afterwards? What possible reason could the Treasurer have had for keeping the secret after he approved the deal? The Premier claimed that he only found out about the licence when the Courier-Mail called him three weeks ago. That was almost two months after the Treasurer paved the way to fame and fortune for his Labor mates. There was no reason for keeping it a secret and every reason for warning the Premier. The Treasurer's advisers would have known about the licence, his department would have known, his Labor mates would have known and the company would have known. I believe that the Premier knew as well, long before the Courier-Mail came knocking on his door.

It would have been impossible to keep this a secret from him for almost two months when at least 100 other people must have known.

This is Queensland's first online casino licence and it is worth millions of dollars. In any other circumstance, the Treasurer would have called a special media conference. He would have been bragging about a can-do Government and about jobs, jobs, jobs. He would have been yelling it from the rooftops. Instead, he tried to slip it through on the quiet when no-one was looking. The Treasurer knew exactly what he was doing and he knew that what he was doing was wrong. That is why there was no media conference and no fanfare. That is why the Treasurer has forfeited his right to remain in the Ministry.

The only way to get to the bottom of this scandal is through a full judicial inquiry. We want to know how the application got through the probity auditor. We want to know if there was pressure brought to bear on any of the decision makers. We want to know if any brown paper bags changed hands. We want to know if there were any sleazy back-room deals or undisclosed stakes in this casino. We want to know what the Premier knew and when he knew it.

The deal was irrevocably tainted from the outset. It has brought the whole process into disrepute and sullied Queensland's international reputation as one of the world's very few squeaky clean gaming regulators. The licence should have been cancelled or at least suspended pending the outcome of all inquiries. There is absolutely no question that the Gocorp venture enjoyed several distinct advantages over its commercial rivals. Firstly, it had a big head start in lodging its application. It also enjoyed the Trojan horse support of influential lobbyists and investors within the Government itself. The snaring of the very first Queensland licence gave it a jump on all its competitors. The business world has a special term for this sort of beneficial situation. It is called the first mover advantage.

The Treasurer's overriding responsibility in this process was to ensure that all potential contenders were competing on a level playing field. The evidence today suggests that he failed miserably and should be sacked for sheer incompetence and political stupidity, if nothing else. I believe the Auditor-General will find that the Government failed to provide all potential applicants with an equal opportunity to compete for the online casino licence. That would be a damning indictment of the whole process and would, I suspect, sound the political death knell for the Treasurer. There can be no coming back after a finding of that gravity.

Whatever happens now, the marketplace and the people of Queensland can never be satisfied that the approval process was entirely aboveboard. The only way to restore public confidence is to revoke the licence and start again from scratch. We will vigorously oppose the Government's net bet Bill, because it would all but guarantee a windfall profit to Labor's Sydney mates. The Premier wants the Parliament to give its imprimatur to an online casino licence which is at the centre of the biggest political controversy in Queensland's recent history. The Premier wants the Parliament to approve a licence which is still being investigated by the Auditor-General and the Criminal Justice Commission. The Premier wants the Parliament to sign a \$200m cheque for Gocorp while the jury is still out over its role in the net bet scandal. The Premier wants the Parliament to write this cosy little deal into law before we can get to hear a verdict. This Bill would pose the very real risk of making the State Parliament an accessory after the fact. Gocorp is still under investigation and that will not change just because it has jettisoned a few Labor mates to preserve its own windfall profit. The coalition is not going to give anyone a cheque for \$200m until all of the inquiries have been finalised.

Gocorp has already moved to capitalise on its first mover advantage, with aggressive headhunting and splashy advertisements in the national media last weekend. It is offering big bucks for computer whiz-kids and corporate high-flyers. Its advertising banner said it all: "Win the game". Gocorp has hit the jackpot and is spending up big. The Weekend Australian carried the company's advertisement for 40 positions with salary packages of up to \$150,000 a year. Each day that passes reinforces Gocorp's advantage as Queensland's first licence holder, and the Premier's Bill would cement that advantage into State law. Our international reputation has already been tarnished by the net bet scandal and this Bill could well do further damage. What will happen if the Auditor-General or the CJC find that Gocorp has a case to answer after Mr Beattie rams this Bill through the Parliament? The Premier said that he will cancel the licence if that is the case. Let us see what happens. The damage will have been done.

Mr Borbidge: Why would anyone believe him?

Dr WATSON: Why would anyone believe him? The cheque would probably have been cashed.

The Premier should put this Bill through the shredder. It is neither necessary, prudent nor acceptable. No-one should be able to move on this until the Auditor-General and the CJC give the all clear. Let us not forget the real rationale for this Bill. The Premier faced a political crisis because one of his Labor mates was playing hard ball over his family shareholding. The Premier could not get rid of the Labor mates so he applied the thumbscrews to Gocorp. The Bill was a legislative carrot and a stick. The Premier promised Gocorp a pot of gold to jump through a few corporate hoops. He said, "Get rid of any Labor mates and you keep your \$200m windfall. If you don't get rid of them, you will lose the lot." That

is what this Bill is all about—rank political hypocrisy. It is a political pay-off with public money. It does not guarantee probity or propriety. It does not guarantee anything.

Cutting Labor's mates and these suspect characters out of the action on paper will not stop unscrupulous investors stitching up secret backroom deals behind closed doors. This Bill will only encourage cronyism and corruption. It will drive everything further underground. The Premier's cure is worse than the disease. The real solution is staring the Government in the face and it could not be easier. As the Leader of the Opposition has said constantly, all the Premier has to do is exercise his existing authority as acting Treasurer under the Interactive Gambling (Player Protection) Act to suspend the net bet licence pending the outcome of all inquiries. That is all he has to do. The Act specifically provides for the immediate suspension of a licence in extraordinary circumstances to protect the public interest. And such is the case today. Surely the net bet scandal can be placed in that category.

Section 48 of the legislation empowers the Government to act with the stroke of a pen. This Government has already handed Gocorp a public licence to print private money. This Bill would simply ratify that licence and guarantee a killing. We do not believe that anyone should be allowed to play the game or cash in their chips until the Auditor-General and the CJC have finished their inquiries. The Treasurer and the Deputy Speaker have stood aside and a ministerial adviser has been suspended. This licence should also be suspended. This Bill is an attempt to set Gocorp's first mover advantage in legislative cement. It is entirely the wrong response at this time, and the Opposition will oppose it vigorously.
