



Speech by

**Mr G. HEALY**

**MEMBER FOR TOOWOOMBA NORTH**

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**TAB QUEENSLAND LIMITED PRIVATISATION BILL**

**Mr HEALY** (Toowoomba North—NPA) (11.13 a.m.): As the shadow Treasurer has outlined, the coalition will not be opposing this legislation—this extremely important piece of legislation for the Queensland racing industry, the TAB Queensland Limited Privatisation Bill 1999.

How ironic it is that members are debating this legislation, brought in by the Labor Government when late last year and again earlier this year I moved motion after motion in this Parliament seeking the support of this Parliament for the privatisation of the TAB. I cannot recall the exact words. It was very simple. I remember that on one occasion I moved that this Parliament supports TAB privatisation. What happened? Those motions were both defeated. And here we are now, debating the very legislation that I proposed that we debate in this Parliament. We are supporting the legislation, of course, and so is the Government. It is such as an ironic situation.

**Mr Briskey:** It's our legislation.

**Mr HEALY:** Let me refer to history and remind the honourable member that it was the former Minister for Racing, the member for Crows Nest, who put the legislative plans into the Parliament, when we were in Government, with changes to the Racing and Betting Act and, of course, the introduction of the wagering legislation. That was as a direct result of people in the racing industry coming to us, as a Government, and talking over with us the problems that the racing industry had at the time and saying to the Government, "We want to privatise." It was not the Government that was putting forward the proposal. We acknowledged the problems that were being expressed to us by the racing industry while we were in Government. We acknowledged that those problems existed, and we did the right thing. We started to put the TAB privatisation process in place.

Of course, there was a change of Government. And what happened when there was a change of Government? There was a delay of some 14 months before the final TAB privatisation legislation hit the deck in this Parliament—14 months of further uncertainty. And what did we see over those 14 months? Goodness me! We saw some absolutely extraordinary happenings taking place between the Labor Party Government and the Queensland racing industry. We saw such extraordinary things as the Premier of this State threatening to seek Crown Law advice to take the Queensland Principal Club out of the picture completely.

If members recall, the package that was negotiated with the Queensland racing industry by the former coalition Government had been ticked off by Treasury, had been ticked off by Cabinet and had been ticked off by the Queensland racing industry. Everybody was happy for things to proceed. But what happened? There was a change of Government, and we heard this Government come up with the extraordinary statement that the people saw that the industry was too greedy; that the package that had been negotiated with the industry was too much for the industry; that they had to cut back on it; that the industry was being greedy. So the renegotiations then took place about the package that was to be of an advantage to the racing industry.

Then, after the package eventually was renegotiated, we heard the extraordinary statements that it was a much better package than what the previous coalition Government had agreed to and that it was financially better than what the coalition Government had agreed to. The Government cannot have it both ways. First it says that the industry was greedy because the package was worth too much to it. Then it turns around and does up a package which we know was nowhere near as good as the

coalition package, and so does the racing industry. The racing industry does not believe that it is going to be of benefit—and of as great a benefit—to the racing industry as was the coalition's package.

Let me give honourable members an example of what is going to happen in 2002 and 2003, when the current Sky Channel contracts expire. This is going to create a \$7m black hole, because the racing industry has been relying on that \$7m from those Sky Channel contracts. Under the privatisation of the TAB, of course, the Queensland racing industry has to supply the TAB with the racing product—no money back to the industry on that particular issue. So \$7m will have to be found somewhere down the track when those Sky Channel contracts eventually expire.

The racing industry knows full well that we need to go down the privatisation path. That was what the racing industry indicated to us when we were in Government and, of course, that has continued. We in Queensland have been hamstrung, given the fact that the TABs in Victoria and New South Wales have been successfully privatised. It has almost been as if the Queensland TAB has been forced to operate with one hand tied behind its back. That is unfortunate, because, in my opinion, the quality of racing in Queensland is just as good as it is in any other State. We perhaps do not have as much of that good racing as we would like. We are limited. But I must refer to the racing highlights in Queensland, such as the Queensland Winter Racing Carnival. I have to take my hat off here to a young lady by the name of Kate Greer, who this year was appointed as the general manager of the Queensland Winter Racing Carnival. She did a marvellous job in promoting that particular—

**Mr Lucas:** A fine businesswoman.

**Mr HEALY:** She is a fine businesswoman, my word! And she is a former Toowoomba girl, which makes it even better. The Queensland Winter Racing Carnival was probably one of the best that we have ever had. Unfortunately, the problem that we face in Queensland with the Queensland Winter Racing Carnival is that it normally occurs during a wet period, and most of the tracks are affected. That is unfortunate. I will come back to that, because I have a suggestion that may alleviate that problem.

The problem that we have is that today's racing patrons will flock to the major carnivals—whether it be the Magic Millions carnival on the Gold Coast, whether it be the Queensland Winter Racing Carnival, whether it be the Toowoomba Weetwood/Toowoomba Cup carnival, or whether it be the major racing carnivals in Townsville. People flock to those days but during the rest of the year, unfortunately, we are not getting the same crowds. That is having a marked effect on the patronage of our racecourses. These are issues that have to be worked through.

The major issue is the financial package that has been struck for the Queensland racing industry. This package was bludgeoned onto the Queensland racing industry. I believe that such people as Craig Black, the current chairman of the Queensland Principal Club, and his executive, did a marvellous job in eventually getting the remnants of a package together so that a message could be sent to the racing industry that there is a lifeline out there. It is certainly not the best possible package that could have been negotiated. The racing industry in Queensland had been bleeding because there was no room for real growth.

I want to take up a point that the shadow Treasurer raised in his contribution. He asked why the Queensland Government did not consider offering the first Internet gambling licence to the Queensland TAB. Why did the Government not do that? Why did the Government not give the opportunity to the Queensland TAB to perhaps double its value?

**Mr Lucas:** Because it's a non-exclusive licence.

**Mr HEALY:** No, it was not. It was because the tax regime was different. It was pure greed; that is all it was. The Government knew that if the Internet gambling licence had been granted to the TAB, it would have been in the package and the turnover tax would have been 20% and not 50%.

**Mr Lucas:** You could not have an exclusive licence on a medium such as the Internet because you would have people in another State or overseas with shares.

**Mr HEALY:** I did not say it was an exclusive licence. I said "the first licence". I believe it was a real shame. The shadow Treasurer also raised the issue of criticisms of him personally in relation to poker machine licences. We have already seen the Government go down the path of allowing the Queensland TAB to take over the licence monitoring operations of Golden Gaming. That means that a privatised TAB could do exactly the same thing for the remainder of the players in the poker machine industry—or at least those who have LMO licences. When it is said that Queensland will never benefit because we did not get that exclusive right for LMOs for the Queensland TAB, we must remember that there is scope for growth. As the shadow Treasurer said—and I think the Premier agreed—there will probably be fewer and fewer players because the TAB will have the scope to take over some of those LMOs or to buy them out. The TAB will have that scope for growth.

We have had tremendous turmoil in the Queensland racing industry over the past 14 months. There is still a lot of uncertainty in the racing industry as to the future of Queensland racing. I know that with TAB privatisation we are getting into a competitive field with the other States.

I am concerned about comments that have been made by certain Ministers— particularly the Minister for Tourism, Sport and Racing—in relation to country clubs and developmental clubs throughout this State. I saw articles in newspapers which suggested that up to 67 developmental clubs should close because they are not viable. That sort of message sent shivers up and down the spine of every person who is involved in a country club or a developmental club right up and down this State.

No country race club has gone belly up. Some of them may not be viable and they may not be making huge profits, but they are not losing money. There is tremendous spirit in country racing in Queensland. There must always be a strong and vibrant country racing scene in Queensland.

I know we have a lot more clubs in Queensland than there are in the other States, but we are a much more diversified State. I have gone to many race meetings at country clubs up and down the length of Queensland. It is clear that there is a lot of enthusiasm for making sure that country clubs survive. I must take off my hat to the Queensland Principal Club for the way in which it has decided that it is going to try to assist some of those clubs with benchmarking and other initiatives.

I refer to the Oakey Race Club. The member for Crows Nest will probably touch on this issue during his contribution. What an enthusiastic bunch are the members of the Oakey Race Club! The club has not raced for some time. It used to have one race meeting a year, and I think it was always on New Year's Day. A fairly important festival, namely the Queensland Festival of the Horse, is being held in Toowoomba in October. The Oakey Race Club applied for a picnic race meeting and, quite rightly, the Queensland Principal Club said, "We are not just going to give you the money; you are going to have to get off your backside and go out and do something." The club did that. It raised an enormous amount of money. I went to the course the other day and the track has been done up with the inclusion of a running rail. The club also has sponsorship.

That sort of attitude is important. I know that a lot of other clubs in Queensland will be asked to try to do something similar. We have about 109 developmental clubs in Queensland. Those clubs might race somewhere between only one and five times a year. If those clubs were disbanded, the total prize money lost would be about only \$1.35m. That means that 70% of thoroughbred clubs receive a little more than \$3m. As a group, the developmental clubs add more than 20% to the prize money through the voluntary backing of the local communities. These clubs go out and source a lot of their own funding. I make this pledge: on return to Government, the coalition will do everything in its power to ensure that every one of those developmental clubs remains viable.

I refer to another matter in relation to the Queensland Winter Racing Carnival. I have raised this matter with quite a few people over the last couple of months and it might be something that we need to consider. The Minister for Primary Industries is in the House at the moment. A couple of months ago, the Minister came to Toowoomba to open the Queensland Centre for Climate Applications. The Minister would be aware of the importance of the information that is coming out of that centre. I refer particularly to the work that is being done by such people as Dr Roger Stone.

We have industries throughout Queensland which are now relying on the climatic information that is coming from that centre in Toowoomba. I believe the setting up of the centre was an initiative of the previous coalition Government. It is a very important centre. The Queensland racing industry—and particularly the Queensland Winter Racing Carnival committee—could access some of the information that is coming out of the Queensland Centre for Climate Applications when the exact dates of particular carnivals are being planned.

At Doomben Ten Thousand and Brisbane Cup time we seem to be plagued by wet weather year after year. It is not fair on the racing industry, when we have the cream of Australia's thoroughbred horses in Queensland, to have the horses racing on wet tracks. It is also unfair to have some of the huge meetings—meetings that we really rely on—either postponed or affected by wet weather. If we had information from the Queensland Centre for Climate Applications, it might mean that we have to shift the meeting either backwards or forwards by a couple of weeks. It is something that we should consider. If the mining industry can use the information that is coming out of that centre, why can we not do it for the racing industry, where we have such huge amounts of money at stake?

I think it is fair to say that racing in general throughout Queensland will continue to benefit from schemes such as the Super QRIS scheme—the racing incentive scheme. We have to make it easier for people to become involved in the racing industry. The only way we are going to make it easier for people to become involved is to make it cheaper. We cannot afford to have people falling away from the industry, whether it is in the area of patron participation or in the area of the ownership of racehorses.

We have some terrific thoroughbred racehorses in Queensland. We are slowly building up our stables of very good horses for breeding purposes. The breeding industry is very important in Queensland, particularly in Toowoomba and on the Darling Downs. We have to get owners back into the industry. We have to make it cheaper for owners to become involved in the industry.

They will have a real interest in it and they will continue that interest. We have to make sure that the incentives and the approaches are there to do it. In the time that I have left, I want to refer to the technological changes that are happening within racing and within wagering. The member for Moggill and shadow Treasurer outlined the huge technological changes that are occurring. It would be remiss of those of us who are involved in the racing industry to think that it is not going to affect us, because it certainly will. Over the past couple of years, we have seen huge technological changes. The industry has to adapt to those changes. I know that the industry will be continuing to try to make sure that it is up with those technological changes.

In conclusion, I again express my disappointment that politics played such a great part in the delay of this legislation. The Premier and the Minister for Tourism, Sport and Racing were always saying that they were right behind the privatisation of the TAB. Of course, when it came to the crunch, they had to get it through their Labor Party conference. We had the brawls between the Left and the Right of the party in relation to TAB privatisation. It held up the process. The Government could not make a decision. It had to leave it to the Labor Party hacks, many of whom probably had never been to a racecourse, to make the decision. Many of them probably did not realise how important the racing industry is to the 23,000-odd people who are employed in the racing industry throughout Queensland. Those 23,000 people, directly or indirectly, rely on a wage from the Queensland racing industry, whether they are employed by the Queensland TAB or associated industries or whether they are farriers, feed merchants, transport operators and caterers. They are the lifeblood of the industry. They are also the people who derive an income from that industry. It is all about jobs, jobs, jobs. Do members opposite remember that? However, the members opposite were prepared to delay the certainty for jobs, jobs, jobs for well over 14 months before they got this legislation into the Parliament.

I tell members opposite now that the reputation of the Labor Government in the Queensland racing industry is at an all-time low, down from the previous all-time low. When the coalition Government took over, we sat down and talked with the industry. They said, "This is unusual. You are coming to talk to us", and we did. We sat down and we talked to them. We worked through the TAB privatisation package and they were most grateful. The Queensland racing industry needs a strong Government. It does not need a Government that is going to delay for purely political reasons such important issues as the privatisation of the TAB. The future of racing in this State relies heavily on this legislation.

The Opposition supports this legislation. It will at least give some sort of encouragement and a lifeline to the Queensland racing industry in all its forms, whether that be thoroughbred racing, harness racing or greyhound racing. It is certainly needed. We have to compete with New South Wales and Victoria. We have to make sure that we do not allow those two States to continue to dominate racing throughout Australia. Queensland has a fine reputation. We have some marvellous people involved in the racing industry in this State and they deserve a real future.

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