



Speech by

Mr M. HORAN

MEMBER FOR TOOWOOMBA SOUTH

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TAB QUEENSLAND LIMITED PRIVATISATION BILL

Mr HORAN (Toowoomba South—NPA) (12.02 p.m.): In rising to make a contribution to this Bill, I should say at the outset that over the 37-odd years that it has operated the TAB has served Queensland well. It has operated during a time in which we have seen some very dramatic and substantial changes in the racing industry, a time in which we have seen the budgets of race clubs and, in particular, their incomes change dramatically. Not all that long ago clubs relied on gate takings, sponsorships and bookmakers' fielding fees and those sorts of things as the major source of their income. Now the major part of the income of race clubs, be they horses, trots or dogs, really comes back to the distributions that they get from the TAB.

Mr Healy interjected.

Mr HORAN: As the shadow Minister says, all the various IT improvements, such as phone betting and Foxtel, have made it easier for people not to go to races.

Also, over the years the TAB has made contributions towards the Racing Development Fund in various different ways. The time when Russ Hinze was Minister for Racing was a very significant time in racing. A major contribution was made not by the TAB but through a number of funding and financing arrangements to get the capital injection into racing in Queensland. Today most of the race clubs throughout Queensland—of whichever code—have a decent facility at their track. For most of that we can thank the innovative planning of former Racing Minister the Honourable Russ Hinze.

I have had the opportunity in previous years of running a country racing club, a harness club and a greyhound club. I have seen these dramatic changes first-hand and I have seen the way that the clubs have come to rely on their share of oncourse and offcourse turnover. This debate today is very important because it relates to the survival of a very important industry. The continued success and growth of the racing industry—which is the fourth largest industry in the State—is very important. It is an industry that provides thousands and thousands of jobs— somewhere in the order of 25,000 permanent jobs—and it has enormous indirect benefits for the breeding industry, other rural industries, the transport industry and so on.

As well as those jobs, the racing industry has provided a vital part of our culture and recreation so that people can attend race meetings and enjoy the conviviality of each other's company. Racing is something that has never had a class distinction. It brings people together. It brings city and country together. It is a very important cog in our society. It was very interesting to hear the previous speaker, the member for Cleveland, refer to the racing industry as a "non-essential service". I think it is pretty callous to call something that provides around 25,000 permanent jobs and enormous on-flow benefits indirectly to small businesses and individuals throughout the State a "non-essential service".

It is disappointing that it has taken almost one and a quarter years for this Bill to reach this Parliament. All the preparation for this Bill had been done by the previous Government. All the hard work—all the hard slog—had been done. But because there was a change in Government, there was this delay of about one and a quarter years. It is our sincere hope that that delay has not damaged in any way this float that is going to take place. We will never really know, but I think we can all be sure that the final result that is achieved with this float will not be as good as it would have been had it proceeded a year and a quarter ago. In this world of competition where we have the TABs of New South Wales and Victoria already privatised and gaining in strength, opportunity and flexibility, to lose

one and a quarter years has been a serious disadvantage. No doubt whatever is achieved—and we hope that it is a great result for Queensland—will be less than what could have been achieved had this taken place promptly when there was a change of Government. As I said, all the work had been done.

I want to concentrate on a couple of issues in relation to the total change, one might say, in culture and management that is going to occur in racing as a result of the privatisation of the TAB. I mentioned that we have been well served by the TAB throughout the years of its history. Also, I would have to say that we have been well served by the board of the Queensland Principal Club and its employees. What we are going to see with the privatisation of the TAB is a change in culture with a far greater responsibility to be vested on the shoulders of the racing industry itself and the Queensland Principal Club. We all have great confidence in the racing industry to know what is best for that industry and to be able to make the right decisions.

However, there are going to be some real challenges for the Queensland Principal Club in particular. It is going to be dealing with a substantially larger amount of money. We are moving away from that era in which the distribution of TAB moneys went to the race clubs and into an era in which it is going to be the QPC that is handling funds derived from the privatised TAB and the QPC that is handling other funds and distributing them to the clubs. It is a change, but it is a change which will mean that the racing industry itself will have a far greater involvement in its own industry.

This will mean a lessening of the influence of Government. Some of the checks and balances that have occurred through the Racing Division or through local members influencing the Racing Division or the Minister about the needs of particular local clubs will no longer exist. The challenge for the QPC will be to bring about growth and flexibility in the racing industry so that it can go from strength to strength.

Although the TAB is being privatised and there will be greater involvement by the racing industry in its future and its operations, it is important that the Government does not walk away from the racing industry. It is important that the 89 members of the Parliament of this State continue to influence the Government about the importance of the racing codes in their towns or cities. It is important that the Government ensures the ongoing success of this most important industry to Queensland. I mention the tardiness of this Government and its inability to bring this Bill into the House in the one and a quarter years since it came to office.

The Government has failed to include an adequate growth factor in the arrangements put in place. We know that the deal we would have provided to the Queensland racing industry was better by about \$10m than what is proposed by the Labor Government. Under that deal, we also would have been able to provide security for the future by incorporating adequate growth.

Many changes have occurred in the racing industry over the past couple of decades and it faces many challenges— Foxtel, competition from other sports and new gambling ventures. I dare to mention Internet gambling, which is at the centre of such a scandal about the Labor Government at the moment. All of these things have the potential to erode potential future growth in the income the racing industry derives from its oncourse and offcourse betting. It will be very important that the QPC have in place policies to guide and help the industry in relation to growth, because there will be no or very little assistance from the new arrangements. That will be the result because the Government has not included a growth factor in the sale.

One issue that clubs have fought about for some time is the zero rate of administration. I understand that the harness racing and greyhound codes have been able to achieve the zero rate of administration. It is important that in the future the QPC looks at the cost of administration of thoroughbred racing clubs throughout the State.

Racing contributes so much to Government income each year. Governments siphon off various amounts from gambling. Racing's administration has had to adapt over the years. As I said earlier, much of the administration in the past was about getting people through the gate, getting sponsors, fielding fees and so on. Now, so much of the emphasis has changed to oncourse and offcourse betting.

I compliment clubs on implementing innovative ways of drawing big crowds. The shadow Minister spoke about some of the big racing carnivals. In Toowoomba, the Weetwood Handicap and Toowoomba Cup meetings are huge days. On almost every single racing day, the Toowoomba Turf Club has been able to have its three hospitality facilities—the big marquee, the room under the members area and the Dalrello Room—booked by various charity groups, associations or schools. Every Saturday the turf club is bringing probably between 200 and 500 people to the races. If administration costs can be lowered, as they have in relation to the trots and the dogs, clubs have more flexibility to enable them to maintain their viability and success.

A real challenge to the racing industry as it operates through the QPC will be what is happening with oncourse and offcourse holds. In perhaps all the major clubs in Queensland, oncourse holds are declining and offcourse holds are increasing. The proposal of the Government is based on figures for

oncourse and offcourse holds of 18 months ago. There has been a decline since then. It is very important that the QPC is able to maintain the amount of money that has been envisaged. The lack of a growth factor is worrying in that regard. It is important that the QPC has the right mix to keep clubs successful and viable.

Earlier I mentioned new responsibilities. The Queensland Principal Club will now be responsible for race dates and prize money distribution. It will also have total control of minor and major capital works developments. These are the sorts of things that will no longer come within the sphere of influence of the Racing Division. We on this side of the House have great confidence that the racing industry knows what is right for itself, but we as members of Parliament have to be careful that we retain the ability to influence the way in which the Government supports this great industry.

My town has thoroughbred, harness and greyhound racing. If a particular club is going through a bit of a rough patch, it is important that there be an opportunity for it to gain some form of Government assistance by way of grant. Government assistance is available for all of the major industries in our State, be it sugar, manufacturing or exports. It is important that Government remains able to assist, because this industry is so important to our particular areas. That will be a real challenge. We see a lessening of the influence of the Racing Division. We have great confidence in the racing industry and the QPC, but the Government should not wash its hands of this great and important industry.

Mr Santoro: Particularly in regional and country Queensland.

Mr HORAN: That is right. Those areas are the nursery of the racing industry. If honourable members go to country towns and they drive around the streets, they will see a group of stables in three or four different areas. They all involve produce, strappers, transport and so on. There is probably a group of people in that town that relies totally on the racing circuit in their area for their employment and their income. Losing that out of a town would be worse than losing a bank.

Mr Santoro: Often they produce the champions, don't they?

Mr HORAN: The champions mostly come from the Darling Downs, as the member for Clayfield would be aware. That is another issue.

The shadow Minister mentioned the need to continually support country racing. Often it is the lifeblood of those areas. It is essential that these towns have their race days. In some cases there may be only two or three race days a year, but that may be vital to those towns. As I say, in some towns the loss of a race club would be worse than the loss of a bank.

I congratulate the Toowoomba Turf Club for the way in which it has been able to increase its prize money over recent years. It is currently of the order of \$3.8m. There are some 60 meetings a year—53 twilight meetings, one daylight meeting on Boxing Day and six night meetings.

It is important that the industry recognises the importance of the selection of dates. When night race meetings are determined, it is important that they do not clash with other events that could ruin their success.

I have a couple of other warnings. One relates to the product of the Queensland TAB. It has been signed off that the Queensland product company has to provide the TAB with a certain level of product. In the past, we have had a guaranteed exchange of product between New South Wales and Victoria. But we are moving into a new era whereby we are going to end up with three privatised TABs: in New South Wales, Victoria and Queensland. I am concerned that, in the future, Victoria might say, "Look, the product that we are giving you is far more valuable to you, the Queensland TAB, and what you are getting out of it than the product you are giving to us", particularly when they have something like the Melbourne Cup. And rather than this free exchange of product, the issue of a fee could be raised in future years. I would like to hear the Premier's comment on that.

The privatisation arrangement includes that the TAB will have a clause whereby the amount that is due to the three codes can be deducted. So if a fee was charged for the product that we are getting from the other States and that lessened the amount that the TAB had, then I understand that there is a clause which says that that amount can be deducted from what is passed over to the racing industry in Queensland. I would like to hear the Premier's comments on that, too.

The shadow Minister mentioned what might happen in the year 2003 when the current Sky Channel contracts expire. There is a very real risk that the millions that have been received by the racing industry in Queensland from Sky Channel in payment for being able to access that product will disappear. Who knows? With the New South Wales TAB owning Sky Channel—as it does—a charge or a fee might well be imposed for that. That is another one of the real challenges that will face the racing industry.

As I have mentioned, when this Bill is enacted we will lose a vast amount of the corporate memory of the racing department, which in the past has managed many of these issues relating to the racing industry. As we move into this total change of TAB distribution, it will not be going directly to the

clubs but, instead, will be going through the Queensland racing industry and the Queensland Principal Club.

The Opposition is supporting this Bill very strongly, but we condemn the Labor Government for its tardiness and inactivity in not bringing this Bill into the House sooner. We sincerely hope that that does not affect the success of this float. However, we do wish the racing industry well, as it moves into a new era, and we hope that it can meet the challenge of the privatised TABs in the other States through this move.
