



Speech by

**Hon. MERRI ROSE**

**MEMBER FOR CURRUMBIN**

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Hansard 4 December 2001

**RACING AND BETTING AMENDMENT BILL [No. 2]**

**Hon. M. ROSE** (Currumbin—ALP) (Minister for Tourism and Racing and Minister for Fair Trading) (4.10 p.m.), in reply: I would like to sincerely thank all members from both sides of the House for their contributions. We have had some great contributions from many members who are regular racegoers. Jim Pearce's wife is now a very successful racehorse owner. We have had contributions about the great breeding industry that we enjoy in Queensland. We really do have a great racing industry here. It is our fourth-largest industry and our fifth-largest employer. But it does face many challenges, so we needed to look at the future of the industry in Queensland to help it continue to grow. Therefore, it was necessary to look at the corporate governance issues associated with the control body for racing.

As I said, the contributions from members on both sides of the House were valuable. Unfortunately and sadly, I cannot make the same comment about the contribution from the member for Warrego, who continues to make curious statements in relation to the racing industry. All he does whenever he speaks is show his continued ignorance about the racing industry, about the control body and about how the racing industry is run. He made a very curious statement about the lack of consultation in the whole review process. That was an extraordinary statement.

Since 28 May 2001, quite apart from the fact that I have made several statements in this House, I have undertaken an extensive and exhaustive consultation process with the Queensland racing industry. On numerous occasions I have encouraged everyone involved in the racing industry to make comments. I have sought their submissions as to what they saw was an appropriate governance structure for the industry. On many occasions I met with the chair of the Queensland Principal Club and the chair of each of the regional racing associations when various matters concerning the review were discussed. I have met with literally hundreds of industry participants to elicit their opinions and to gauge their views. In addition to meeting with industry members, I also obtained expert advice from lawyers, tax advisers and accountants in relation to various issues concerning the governance of the industry. The governance model that results from my review adopts the features of a governance model which I believe the majority of industry participants want. It is an impossibility to keep everybody in the racing industry happy, but I have been pleased that the outcome of the review has received a high level of support from industry participants.

The member for Warrego highlighted the extremely difficult task of balancing the competing demands of metropolitan and country racing. Following further consultation with industry subsequent to the introduction of the bill, I listened to the concerns raised by the QPC committee members and other industry stakeholders. I have decided that it will benefit the industry to immediately disband the current QPC committee. The QPC committee will be replaced with an interim board which will act as caretaker until the Queensland Thoroughbred Racing Board is constituted in or about March 2002. I can assure QPC committee members and industry participants that this decision was not made lightly. I have decided to appoint the interim board to create stability within the Queensland racing industry and to focus the attention of the industry towards the future and away from continued criticism of QPC committee members, some of whom have acted with the highest level of integrity but whose views were drowned by the self-serving interests of other committee members. In short, my consultation with industry during this process has been extensive and effective. The industry wants and needs rapid change to the governance structure of Queensland racing to eliminate perceived conflicts of interest within the current QPC board which are severely handicapping this industry.

In his speech on Thursday, the member for Warrego also wrongly attributed the cause of the QPC's financial loss for the year ended 30 June 2001 to reduced betting turnover on the Queensland TAB. The true cause of the QPC's loss in the 2001 financial year was the decision made by the QPC committee in June 1999 to supplement the oncourse totalisator turnover commission rate payable to race clubs. This decision was the major contributing factor to the QPC's significant operating loss for the 2001 financial year and the concurrent increase in the operating profits of certain major race clubs that nominate QPC committee members. The effect of this QPC committee decision, which continues to be adopted by the QPC without amendment, highlights the need for a skilled independent board acting in the interests of all Queensland race clubs to be appointed to govern Queensland racing.

The member for Gladstone requested me to outline whether the Gladstone track relocation will be affected by the proposed amendments. I can assure her and the Gladstone racing community that the amendments will have no impact on the Gladstone track relocation.

The member for Warrego asked me to raise in reply what will happen if the recommendations of the Queensland Regional Racing Council continue to be rejected by the Queensland Thoroughbred Racing Board. Members of the QTRB have a statutory duty to consider all recommendations made by the council in relation to issues such as the proposed racing calendar and funding for non-TAB racing. It is the responsibility of the QTRB to balance the needs of TAB and non-TAB racing. Like any business, the QTRB has a limited amount of funds that it must distribute to satisfy the needs of racing across Queensland. It must listen to the views of everyone and make a measured, reasoned decision which is in the interests of Queensland racing as a whole. Neither this government nor the QTRB can provide a guarantee to the council that every one of its recommendations will be implemented. The recommendations must be reasonable and realistic. In the unlikely event suggested by the member for Warrego, namely, that the council's recommendations are continually knocked back by the board, then the council may seek written reasons from the QTRB for the refusal to implement their recommendations and may ultimately seek judicial review of the board's decision to not adopt a recommendation made by the council.

The member for Fitzroy also was looking for some clarification about the teeth that the council would have. I would like to reassure him as well that, for the first time, this introduces the transparency that has been lacking in the QPC's dealings with regional association matters. Notwithstanding that, these were regional association nominees to the QPC board.

The member for Gladstone also requested me to provide an undertaking that any company limited by guarantee which becomes the control body for thoroughbred racing in Queensland will represent the interests of regional racing. There are many ways in which the interests of regional racing may be represented. Regional clubs may, for example, become shareholders of the new company limited by guarantee. Regional racing identities may be requested to be members of subcommittees developed within the company. A director of the company may reside in regional Queensland. As it is the responsibility of the QTRB to liaise with industry members and make recommendations to me regarding the appropriate structure for the new control body company, I am unable to say precisely how regional racing will be represented on the new control body. I can, however, give an undertaking to all members that regional racing will be represented in the new control body company.

The member for Warrego referred to the proposed control body company and recommended that the government have a shareholding minister on the new control body company so that government can have some sort of say in the system. The Australian rules of racing prohibit a minister being a shareholder in a principal club or having any interest whatsoever in a principal club. If the member for Warrego's suggestion were implemented, the QTRB could be removed from membership of the Australian Racing Board, the national body governing thoroughbred racing in Queensland. The industry has clearly indicated, in the submissions it made to the review and on virtually every occasion I have met industry members, that it does not want the government to be involved in day-to-day racing affairs. The appropriate role for government is to uphold probity and integrity in racing. Part of this process is establishing an appropriate governance structure that provides openness and accountability to racing members.

Finally I turn to the issue of the continued campaign of allegations against the Toowoomba Turf Club perpetrated in the media. The member for Warrego has called upon the chair of the Toowoomba Turf Club, Mr Neville Stewart, to voluntarily stand down from the Toowoomba Turf Club pending an investigation into allegations that club funds were used for private purposes. This afternoon I sat here and listened to the member for Toowoomba South talk on and on about how great the Toowoomba Turf Club is. I did not hear him once say how disgusted he was with the comments by his shadow minister in his absolute bucketing of the Toowoomba Turf Club or the fact that he was the one who tabled all of the information that was run the other day in the *Courier-Mail* again.

I find it extraordinary that the member for Toowoomba South—the Toowoomba Turf Club is in his electorate—did not stand and condemn his shadow minister and member for Warrego for his statements. Here we have the member for Toowoomba South standing up and saying what a terrific

club the Toowoomba Turf Club is and how it made a profit of \$200,000, which it did. But that is in stark contrast to the comments made by the member for Warrego last week. Curiously, the member for Warrego has not called for all the other members of the Toowoomba Turf Club committee to stand down while the allegations are investigated. The member for Warrego obviously has not read and does not understand or comprehend the Racing and Betting Act. Where a breach of section 134 has occurred the club and every member of the club committee has committed an offence under the act. If a breach of section 134 has occurred, then all members of the Toowoomba Turf Club, including Mr Stewart, are responsible for the consequences.

The member for Toowoomba South said that this matter needs to be finalised, that it needs to be put to rest. I could not agree with him more. I have stated in this House and publicly that I believe the Queensland Principal Club has handled this matter appallingly. The member for Warrego received a copy of correspondence containing an extract of the QPC audit report into the Toowoomba Turf Club before the Minister for Racing, which is typical of the way the QPC has conducted this sordid affair. Unless and until evidence is gathered which proves, to the requisite degree of proof, that the Toowoomba Turf Club has breached section 134, then Mr Stewart and all members of the Toowoomba Turf Club committee are entitled to be presumed innocent.

It seems from the correspondence tabled by the member for Warrego that on 8 November 2001—almost six months after the QPC commenced writing to me seeking advice on the meaning of section 134—the QPC finally wrote to the Toowoomba Turf Club seeking clarification of expenditure incurred by the club from as long ago as 1996. For the QPC to allow accusations such as those levelled against the Toowoomba Turf Club to be played out in the media, rather than dealing with the matter and providing some surety for those who rely on the Toowoomba Turf Club for their livelihoods, is an absolute disgrace. I can give an assurance to the Queensland racing industry that it will be an immediate priority for the interim Thoroughbred Racing Board to issue guidelines to race clubs regarding what expenditure is permitted by section 134 of the act.

I also point out to the member for Warrego that the minister does not have the power to hire or fire staff at the Queensland Principal Club. I believe that the current disquiet within the Queensland racing industry is not in small measure attributable to the lack of skills and performance of the current chief executive, Kevin Hasemann. He has not taken action where required and then interfered in areas for which he is not responsible. He is the chief executive officer. He is not the Queensland Principal Club. As such, he should have been actively and publicly supporting the committee. He has actively defied his chair and has made it as difficult as possible for Sandy Bredhauer and the rest of the QPC to deal with issues of importance to the industry. I am advised that Mr Hasemann has refused to cooperate with the current assessment of the QPC's management that has been conducted by Pacific South-West. That organisation was engaged by the QPC to assess and review the performance of the QPC. Now that it has been critical of Mr Hasemann's professional performance, his response is to sulk and direct the staff of the QPC not to talk to Pacific South-West. This is outrageous behaviour. This is not the action of a professional CEO but the type of dummy spitting that is typical of an unprofessional manager when their performance is criticised.

Why, when there is such confusion over the application of section 134, has Mr Hasemann, as the chief executive officer of the control body, not taken direct steps to help his committee resolve the matter? Development of easily understood and effective guidelines is his responsibility as the CEO. He should have done this to assist the committee of the QPC, but he has done absolutely nothing other than go public and embarrass his committee. The hardworking staff of the QPC deserve better from their CEO. They should be provided leadership, example and guidance—areas in which Mr Hasemann has let the industry down. He has let his staff down and he has let his committee down.

The QPC is an independent statutory authority over which the minister does not have the power of direction, although the opposition's racing spokesman has made it patently clear that he would like to run the Queensland racing industry. That is a scary thought for anyone in the racing industry who was around when the National Party pork-barrelled their way around the state on the racing industry's credit card during the 1980s leaving a \$36 million debt, which was forgiven in the TAB privatisation arrangement. That is a matter that the member for Warrego selectively seems to forget.

I thank the member for Cunningham for his support of the bill. The member raised a number of matters to which I will respond. I acknowledge his praise for the breeding industry. I agree with him that Toowoomba is certainly the racing industry's breeding hub of the nation and there certainly are some fantastic studs in that region. The issue of prize money referred to by the member is a serious matter which the new controlling body will have to address. As I have said publicly, issues such as prize money and race dates were not the focus of this review. What I am about is getting the structure right and getting a professional board which is free from conflicts of interest that can deal with issues such as prize money levels within the industry.

The member for Cunningham mentioned the closure of the Toowoomba Greyhound Club. It was a world-class facility, developed in the era of pork-barrelling by the legendary Russ Hinze. I need

not say anything more about that. The facts are that people stayed away in droves, the club was mismanaged and, unfortunately, it could not be saved unless more and more public money was poured in.

**Mr Copeland:** It wasn't helped by the decision to move the date from Friday to Wednesday, which was done by the previous minister.

**Mrs ROSE:** Yes. Unfortunately, it is an example of poor planning in the 1980s to build those sorts of facilities without any regard to ongoing maintenance and operational costs. The member provided a lot of interesting information relating to the breeding industry. I strongly agree with him that Queensland has a great breeding industry. It is critical that the upstream and downstream providers to the racing industry have sustainable futures.

I point out to the member for Cunningham a matter of which I was unaware until my extremely knowledgeable racing adviser informed me of it. The great Gunsynd was in fact bred in New South Wales, not in Queensland. However, like the member for Cunningham, I am very happy to claim Gunsynd as Queensland's own.

I agree with the member's statement that the government cannot walk away from the racing industry. Believe me, it would have been a lot easier if it had. I would not then have been the target of such smut and gutter innuendo as I have since becoming minister. I say this: I will not let them beat me and I am not going anywhere. They can say what they damn well like; it is not going to shift my focus from concentrating on growing the racing industry in Queensland. I will not succumb or give in to their pressure. This legislation sends a very clear message to everyone that this government and I take racing very seriously and we are doing everything possible to ensure that the industry will prosper and grow.

Finally, I will deal with some comments made by the members for Caloundra and Kawana about the Corbould Park racing facility. It is a great race track. I have been there a few times myself.

**Mr Cummins:** The Sunshine Coast, too.

**Mrs ROSE:** The Sunshine Coast Turf Club do a fantastic job. Les Geeves is a terrific fellow and a friend of mine, and he does a fantastic job.

**Mr Cummins:** He's a good Rugby League selector.

**Mrs ROSE:** Yes, he is a very good Rugby League selector. They do a fantastic job on the Sunshine Coast. Corbould Park is owned by the Caloundra City Council and the race club is a lessee. I have spoken to the Mayor of Caloundra City and I know that when the member for Kawana was a councillor with the Caloundra City Council he supported a move for the council to hand the track over to the club. I fully support that move. I have spoken to the man myself and there is nothing stopping the Caloundra City Council from handing the track over to the club. The club has paid for all the improvements. They really do an amazing job with the grounds and the track. In my view and obviously in the view of the member for Caloundra and the member Kawana, the race club should own it. Again, I call on the Caloundra City Council to reconsider and to look at handing the track over to the Sunshine Coast Turf Club. I thank all members for their contributions.

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