



Speech by

## Hon. Robert Swarten

MEMBER FOR ROCKHAMPTON

Hansard Tuesday, 28 March 2006

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### RACING AMENDMENT BILL

#### Second Reading

**Hon. RE SCHWARTEN** (Rockhampton—ALP) (Minister for Public Works, Housing and Racing)  
(12.30 pm): I move—

That the bill be now read a second time.

The Racing Amendment Bill 2006 is one of the final steps in moving the Queensland racing industry into the 21st century. The purpose of the bill is to amend the Racing Act 2002 to give effect to the transition of Queensland Racing from a statutory body to a company limited by guarantee and to extend the Queensland Harness Racing Board and the Greyhound Racing Authority as statutory authorities for a further limited period pending their transition to a company structure.

This is the final phase in the reform of the thoroughbred code in Queensland and implements the provisions of the Racing Act that provide for the transition of control bodies from statutory authorities to corporations. These transitional provisions were passed by this parliament on 30 October 2002. It was recognised at that time that to be competitive in this modern privatised wagering environment control bodies must be provided with the flexibility to operate with a strong commercial focus, which can only be achieved through a company structure.

On 19 October 2005, Queensland Racing Ltd, a company limited by guarantee, formed by the current members of the statutory authority, the Queensland Thoroughbred Racing Board, applied for approval under the Racing Act as the control body for the thoroughbred code of racing. Following a detailed assessment process, on 22 December 2005 Queensland Racing Ltd was granted an approval as the control body for the thoroughbred code of racing, to be effective from 1 July 2006. This approval was given subject to the condition that Queensland Racing Ltd further consult with the proposed members of the company in relation to an alternative draft constitution proposed to be adopted by the company and referred to in the approval notice and that it report to me on the results of this consultation.

Queensland Racing Ltd conducted extensive consultation with the members of the company and has reported on the results of this consultation. The company has recommended changes to the draft constitution as a result of the consultation process, and my department is in the final stages of review of those changes prior to it being submitted to me for consideration of giving final approval.

Of the 123 racing clubs and associations representing industry participants, only the Queensland Turf Club continues to express concerns in relation to the membership structure and voting rights of members of the company. While I acknowledge the Queensland Turf Club's position, I consider that the draft constitution of Queensland Racing Ltd, which requires directors to be suitably qualified and elected through a democratic process involving racing industry representatives and members of the board who are not standing for election, is the most appropriate model for a modern control body with key regulatory functions. An essential element of the model, and the cornerstone of protecting the integrity of the Queensland racing industry is that members are not directly nominated by race clubs to represent the vested interests of that stakeholder group.

The constitution of Queensland Racing Ltd, as amended through the consultation process, will allow industry participation without undermining the independence required to effectively carry out the company's functions as a control body under the Racing Act. From 1 July 2006, Queensland Racing Ltd will be the control body for thoroughbred racing in Queensland, and its principal object is to exercise the powers and perform the functions of a control body under the Racing Act. The current members of the board of Queensland Racing will serve as the inaugural board of the company for a period of three years following which they will progressively be required to stand for re-election.

Queensland Racing Ltd is a company limited by guarantee. The income and property of the company must be applied solely towards the promotion of the objects of the company, and no portion of it can be paid or transferred directly or indirectly to the members by way of dividend, bonus or profit.

The amendments to the Racing Act will transfer the assets and liabilities and ongoing responsibilities of the statutory authority, the Queensland Thoroughbred Racing Board, to the company Queensland Racing Ltd, with effect from 1 July 2006. The amendments will also transfer the staff of the Queensland Thoroughbred Racing Board to Queensland Racing Ltd on terms and conditions at least equivalent to those applying immediately prior to their transfer on 1 July 2006.

While the thoroughbred code of racing has sufficient capability and resources to successfully transition from a statutory body to a corporate structure, the Queensland Harness Racing Board and the Greyhound Racing Authority are much smaller bodies with fewer assets and are not currently prepared for the transition to a corporate structure. In order to enable further consideration as to the structure and operations of these control bodies within a corporate environment, the bill extends the operation of these control bodies as statutory authorities until 30 June 2008.

In closing, this bill provides the thoroughbred code with the opportunity to operate effectively within the dynamic and constantly changing privatised wagering environment. Neither Queensland nor Australia are isolated from threats to the viability of our racing product. What this government has done is to position our control bodies not only to respond to current challenges but also to ensure they are equipped to face future challenges. This government has provided the framework to ensure the control bodies are best equipped to meet these challenges. I commend the bill to the House.

Debate, on motion of Mr Langbroek, adjourned.