



Speech by

John-Paul Langbroek

MEMBER FOR SURFERS PARADISE

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REVENUE AND OTHER LEGISLATION AMENDMENT BILL (NO. 2)

Mr LANGBROEK (Surfers Paradise—LNP) (3.58 pm): It is my pleasure to rise to speak to the Revenue and Other Legislation Amendment Bill (No. 2) 2008, and I note the contribution by the honourable shadow Treasurer, the member for Clayfield. The bill amends 19 acts, and I note the shadow Treasurer has expressed some concern about the amendments to the Electricity Act and we will hear more about them in the consideration in detail stage.

It is interesting to go back and look at the *Queensland State Budget 2008-09 at a glance* document because it shows that the problem this government has had has developed as a pattern over the past few years. We only have to look at that sheet and look at the fiscal aggregates to see that revenue for this government has gone from \$27 billion in 2004-05 to \$36 billion in five years, which is a 33 per cent increase, whereas expenses have increased over the same period from \$23.6 billion to \$35.7 billion, which is a 50 per cent increase.

People around the country and the world are now seeing what happens if your expenses exceed your revenue by those sorts of amounts over a long, long time. It is like gently increasing the boiling water. At first, you do not feel it and then gradually you do until finally you feel the pain, and that is exactly what has happened in this case. We only have to look at the same sheet to see the operating balance for the budget over that period has gradually decreased. There was a \$3.9 billion surplus in 2004-05, but the pattern has been gradually decreasing, with \$3.7 billion in 2005-06 and \$1.8 billion in 2006-07.

It is interesting to note that in 2007-08 we had an operating balance deficit of nearly a billion dollars, but that was not mentioned when the 2007-08 budget was brought down—only once we saw the final figures. This year the 2008-09 budget was predicated on a massive increase in coal revenues and coal royalties which came in without consultation with the mining community. They were shocked that royalties would be going up by \$2 billion. As soon as those figures decrease due to the global financial crisis, that revenue from royalties will not be coming in. So the Treasurer has now found that we have an \$800 million surplus which has been replaced with some sort of nebulous deficit figure which we will be advised next Tuesday when he releases the midyear fiscal report.

As I say, it is pretty obvious to see that the pattern has been there from a \$3.9 billion budget surplus only four years ago. Now we are heading to some figure—we do not what it is—and that means we will have four years of budget deficit if we count last year, this year and the two years which the Treasurer has already warned us that we can expect to be in deficit.

I want to speak about the amendments to the Racing Act 2002, which is part 33 of the bill. We talk about fiscal irresponsibility, but it is interesting that these are measures that finally the government is bringing in which the opposition tried to bring in in February 2006 in the then Racing (Race Fields) Amendment Bill which I was privileged to bring into this House when I was shadow minister for public works, housing and racing. As I say, the government opposed that legislation. A number of members who spoke at the time in the debate said that they opposed it, even though we clearly made the point it was very obvious that the racing legislation, as it currently stood, meant that Queensland Racing was missing out on valuable revenue.

I want to go back to some of the things I said with regard to the Racing Amendment Bill. We spoke about the fact that it was designed to protect the racing industry and yet there were honourable members from the other side who made numerous comments—in fact, the then Premier, the member for Brisbane Central, said he thought that UNiTAB could look after itself, when clearly we were going to have a compromised budget position in losing \$17 million to \$20 million a year. That showed how the government in a time of plenty was quite happy to see \$17 million to \$20 million a year disappear from the bottom line. Now, nearly three years later, we are finally doing something. The honourable members opposite who spoke included the members for Toowoomba North, Rockhampton, Fitzroy, Southport and Nudgee. At that stage they were saying that the federal government should do something about betting exchanges. I note that in the years since the Rudd government has been in power no-one has done anything about betting exchanges. Finally, nearly three years later, we are doing the same sorts of things that Victoria did that I noted in May 2006. Victoria enacted legislation restricting the use of race fields and it was negotiating an operating fee with Betfair to gain a contribution from the betting exchange. That commenced in July 2006.

Now when we look at this legislation it is designed to do the same thing, but it has taken three years to do it. It is of great concern to those of us in the opposition that we tried to do these things. The government at the time agreed that something needed to be done. It did not do it. In my summing-up speech on 1 March 2006 I said that the Queensland coalition had in the bill a strategy to support the Queensland racing industry by providing it with the mechanisms it will require to maintain the steady growth that is experienced well into the future. The bill aimed to ensure that the integrity of the industry is upheld through maintaining government revenue—very importantly, as we now see because of the budget numbers. We wanted to ensure that the high standards of probity were preserved. The offence did not in any way inhibit the state from licensing new wagering service providers. That is exactly what happened when Betfair was allowed to operate in Tasmania and started using our race field information but was returning nothing to this state for the use of it until now. When we encouraged the government at the time to legislate to protect our racing industry, it refused to do so.

I note that there are many other things that I would like to speak about, but in the interests of time and the fact that we need to get to the amnesty motion I will confine my comments to those. I note that the honourable Treasurer, in response to a question in estimates by the member for Toowoomba South, said about betting agencies and specifically Betfair—

It is taking an economic benefit from the Queensland racing industry and returning nought, and I think that is the least best scenario.

As we would say at school, 'der Fred'. It means we need to adopt an approach in this context which seeks to enjoin Betfair in a way that provides a return back to the industry if it is going to exist. It does exist; it is existing. We needed to do something well before now. As I say, because of the fiscal irresponsibility of this government we find ourselves another \$50 million to \$60 million in the hole that would be handy at a time when we are heading into a budget deficit that has not yet been defined. With those few comments, I await the consideration in detail stage.